

JPRS-NEA-84-115

26 July 1984

Near East/South Asia Report

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

26 July 1984

NEAR EAST/SOUTH ASIA REPORT

CONTENTS

ARAB AFRICA

EGYPT

Government Plan for Controlling Bureaucracy Detailed (Sana' Tabbalah; MAYU, 22 May 84).....	1
Exports To Improve Balance of Payments Described (AL-TADAMUN, No 59, 26 May 84).....	6
Ways for Achieving Economic Surplus Outlined (Muhammad Ibrahim 'Abd-al-Rahman; AL-AHRAM AL-IQTISADI, No 802, 28 May 84).....	10

SUDAN

Communist Party Member Discusses South, Relations With Egypt (Muhammad Mahjub Interview; AL-YASAR AL-'ARABI, No 66, Jun 84).....	14
--	----

ARAB EAST/ISRAEL

IRAQ

Resolutions, Accomplishments of Ninth Ba'th Party Regional Congress (Muhammad Hamzah, Sa'di Mahdi Salih; AL-JUMHURIYAH, 7 Apr 84).....	21
--	----

Minister Underlines Industry's Contributions to War Effort, Exports (Subhi Yasin Interview; AL-JUMHURIYAH, 25 Mar 84).....	28
---	----

KUWAIT

Government Spending Policy Criticized (AL'TALI'AH, No 844, 30 May 84).....	35
Lack of Opposition, Political Control in Current Assembly Underscored (Ahmad al-Baghdadi; AL-TALI'AH, No 845, 6 Jun 84).....	38
Foreign Minister Discusses Efforts To End Oil Tanker Attacks, Gulf War (Shaykh Sabah al-Ahmad Interview; AL-HAWADITH, No 1441, 15 Jun 84).....	41
Iranian Threats, Security Situation Discussed (AL-MAJALLAH, No 227, 16-22 Jun 84).....	48

SOUTH ASIA

IRAN

Soviet Energy Delegation Visits Country, Inspects Power Plants (KAYHAN INTERNATIONAL, various dates).....	51
Arrive in Isfahan	
Inspect Ramin Power Plant	
Delegation Concludes Visit	
Briefs	
Railway Factory Becomes Operational	53
Interest-Free Banking Deposits Increased	53
Armenian Archdeacon Blasts Foreign Media	53
War Damage Estimates	54
Sugar Production Increases	54
Development Projects in Bushehr	54

PAKISTAN

Interview With Benazir Bhutto (ARABIA, Jun 84).....	55
Report on 'Little Kabul' in Islamabad (Anwer Iqbal; THE MUSLIM, 26 Jun 84).....	58
Ziaul Haq Interviewed, Denies Involvement in Sikh Unrest (INDIA TODAY, 15 Jul 84).....	60

New Master Plan for Karachi Being Prepared (BUSINESS RECORDER, 3 Jul 84).....	64
Labor Federation Makes Political Demands (THE MUSLIM, 30 Jun 84).....	66
Plant for Ampicillin Production Planned (BUSINESS RECORDER, 3 Jul 84).....	67
Development Plan in Baluchistan Launched (BUSINESS RECORDER, 3 Jul 84).....	68
Former Minister Proposes Plan To End Power Crisis (THE MUSLIM, 26 Jun 84).....	70
Pakistan's Idea of Asian Energy Agency Said 'Gaining Ground' (Ashraf Hashmi; THE MUSLIM, 27 Jun 84).....	71
Seventy-One Percent in Islamabad Said Undernourished (THE MUSLIM, 29 Jun 84).....	72
Ministries Ordered To Switch Over to Urdu (THE MUSLIM, 26 Jun 84).....	73
Briefs	
New Subdivision	74
Indus Water Commission Reports	74

SRI LANKA

Finance Minister: Inflation Public Enemy No 1 (THE ISLAND, 9 Jun 84).....	75
Politics To Be Banned From Schools (B.C. Perera; THE ISLAND, 14 Jun 84).....	76

GOVERNMENT PLAN FOR CONTROLLING BUREAUCRACY DETAILED

Cairo MAYU in Arabic 22 May 84 p 8

[Article by Sana' Tabbalah]

[Text.] Not one speech or occasion goes by without President Husni Mubarak reaffirming that alleviating the people's suffering will remain the number one objective and that increased production will remain the focal point of national action.

In his recent Labor Day address, the president of the Republic alluded to the question of red tape and bureaucracy. He pointed out that in order to offer the public better services, a long-term plan must be drawn up. What, then, is the plan of the Ministry of State for Administrative Development and what is its vision in this regard?

This was the focus of MAYU's interview with Justice 'Adil 'Abd-al-Baqi, minister of cabinet affairs and of state for administrative development, who is primarily responsible for this. He said:

There is no doubt that the development of the state's administrative apparatus and better efficiency in the performance of its duties will have an influence on turning the wheels of development in the various economic, industrial and social fields. Ever since the beginning of 1982, the plan of the Ministry of State for Administrative Development [MSAD] and its supporting agencies has been oriented towards increased attention to the development of public services and the simplification of service utilities' regulations governing dealing with the people in order to alleviate their suffering and provide services for them with ease and facility. The administrative development plan, in tackling the problems of the masses in dealing with the administrative agencies, has been proceeding side by side with MSAD's plan for developing the civil service systems and dealing with gaps and disparities in rules and regulations governing job parity and salary increases for higher performance levels by drawing up prescribed incentive systems based on objective precepts that provide for gradual salary hikes commensurate with higher production and performance, in addition to the plan for raising the efficiency of government employees through ongoing job training and training for leadership positions. In his recent Labor Day address, the president alluded to the importance of formulating

a long-term plan to eliminate red tape, which will undoubtedly give great support for administrative development apparatuses and will positively and seriously aid in the implementation of their proposals in the field of providing services. The first key element of the plan drawn up in this regard was the establishment of a strong central administration for performance appraisal. This administration, the first one to be established, had 10 sub-working groups that were deployed to study work practices in public offices and to originate necessary solutions to facilitate public services and simplify procedures.

Job Ranking and Classification

Minister 'Adil 'Abd-al-Baqi emphasized their intention to pursue the most modern job ranking and classification systems in accordance with the nature and responsibilities of each position.

During the last 2 years, procedures in more than 20 ministries and agencies and about 300 local units at the governorate level have been simplified.

Better Services

Prime Minister Dr Fu'ad Muhyi-al-Din gave instructions to devise simpler and better performance methods in the services and public utilities and to coordinate with competent administrative development apparatuses to benefit from their experience in this field and inform the cabinet's general secretariat about the ministry's plans and programs in this area.

Moreover, MSAD's plan included the completion of a study on performance appraisal in 14 directions where a number of professors from [part of sentence obliterated] are participating, as part of the working groups, in this evaluation.

30 Administrative Certificates Abolished

Within the framework of MSAD's plan for simplifying procedures with a view to alleviating people's sufferings, 46 procedure simplification operations have been completed, including, for instance, the boarding of [public] transportation at the Ahmad Hilmi stop, documentation of certificates at the foreign ministry, obtaining professional driving licenses for vehicles, custom's gates in Port Sa'id and litigation in the Heliopolis court and development of administrative action systems in it.

Thirty administrative certificates have been abolished and mostly replaced by personal or family identity cards, by a request from the employer or by just a statement from the person concerned.

Training in Dealing With the Public

Minister 'Adil 'Abd-al-Baqi mentioned that monthly annuities for the aged are being delivered to their homes; a decentralization of the general insurance system has been instituted; the number of annuity disbursement

outlets have been increased to 4,500; all supply goods in consumer cooperatives have been packed in accordance with recommendations by management experts to facilitate the distribution process; new outlets, particularly in congested areas, have been opened; and an incentive program tied to sales and good service has been instituted in these cooperatives. In the General Transportation Authority, drivers and contractors are being trained in public relations, and with regard to the Customs' Administration, shipping fees have been lowered in agreement with Egypt Air with regard to perishable goods. The Egypt Air reservation office has been moved to the al-Bada' i' [i.e., Goods] village.

Appropriations for Management Training

The minister says that the 1984-85 administrative development plan includes the allocation of 50 percent of administrative training appropriations for services utilities' employees for specialized training programs at the work place, each in accordance with field requirements instead of general training courses and programs that follow the traditional lecture method.

The minister explained that the concern for the environment in Egypt is relatively new and the establishment of the environmental affairs committee and the Environmental Protection Agency was implemented for the first time in the present cabinet.

In 1982, a presidential decree was issued for establishing an environmental affairs agency in the cabinet to be the connecting link between the premiership and all the various ministries, governorates and parties in the field of environmental protection and to prepare and study related matters.

First Appropriations for Environmental Affairs

The government for the first time allocated in the 83-84 budget the sum of 8 million Egyptian pounds for the Environmental Affairs Agency [EAA] to aid activities aimed at controlling industrial pollution, and to support environmental watch networks and conduct studies and research in cooperation with scientific and collegiate bodies.

The agency offered 1.7 million pounds to a number of factories (sugar, distilling, starch and glucose and paper) to assist them in completing their waste disposal projects before dumping their waste into the Nile so as to combat pollution, in application of Law No 48 for 1982, pertaining to the protection of the Nile and other watercourses from pollution.

Furthermore, a working group, headed by the dean of Cairo University's Engineering College, is preparing a study on air pollution by cement dust in the Hulwan industrial district as well as necessary field studies to find practical and economical solutions for better facilities for industrial waste drainage into the Nile River and watercourses in a number of factories that drain their waste into the Nile. It has in fact arrived at some limited cost proposals and measures for treating industrial waste in order to reduce its harmful effects before flowing into the Nile.

Thus, the cabinet's Environmental Affairs Agency and committee have succeeded in bringing about cooperation with the universities to serve the Egyptian environment from the practical and applied point of view. The agency offered financial aid in the amount of 2 million pounds to the Governorates of Cairo, Giza, Alexandria, al-Qalyubiyah and al-Daqahliyah to assist in projects for improving the local environment and eliminating pollution in popular areas such as, for example, dredging the al-Khashab Canal of sewage (Hulwan - al-Muhammadi area and setting up parks and green areas in Cairo Governorate, in addition to subsidizing sewage and cleaning projects in three governorates. In the field of protecting wildlife and nature, a law was issued for establishing wildlife preserves, and a preserve in the Ra'c Muhammad and the two islands of Tiran and Sanafir in the [South] Sinai Governorate has in fact been set up under the supervision of the executive council headed by the governor as a pilot [project] for other natural preserves. The EAA subsidized this preserve, as a first stage, in the amount of 200,000 Egyptian pounds for its construction.

Oil Pollution

In the field of protecting the sea from oil pollution, pollution on the beaches of Majawish, the Sheraton Hotel, the camps and al-Ghardaqah City has been cleaned up in an effort to preserve tourist areas in the Red Sea. An agreement has also been reached with the Ministries of Defense and Petroleum to have the Middle East Exploration and Rescue Center conduct exploration from pollution and oil. The oil sector did indeed offer a subsidy in the amount of \$10 million this year to the center to assist it in carrying out its duties.

Minister 'Adil 'Abd-al-Baqi added that the EAA has collected, studied and developed legislation on the environment in Egypt in order to determine their efficacy and suitability for current conditions and the efficiency of the implementing agencies. The EAA's membership includes a professor specializing in environmental legislation who helped review and pass a recently-promulgated law pertaining to the protection of the Nile River and water courses from pollution. The study revealed, however, that penalties provided for by valid laws are adequate, but the crucial factor is not stiffer penalties, but rather increased environmental awareness and citizens' interest in keeping their country clean.

Awareness of Environmental Protection Concept

The minister said that in an effort to create an awareness of the environmental protection concept, in view of the fact that such an awareness is a starting point, the committee initiated its activities by setting up environmental affairs offices in every governorate, directly under the governor, to study environmental problems at the local level and to propose necessary solutions and raise public environmental consciousness. Environmental protection office directors in all governorates received job training explaining to them their role in the fields of cleanliness, afforestation and combatting Nile, air or sea pollution in the Red Sea and Mediterranean governorates.

Minister 'Abd-al-Baqi reaffirmed that efforts in the area of facilitating the rendering of services to the public will continue in the various units and simplifying the conduct of work in them. In order to secure the participation of ministers, the ministerial services committee approved the formation of a committee in every ministry and unit to follow up the implementation of a number of proposals and to submit periodic implementation reports every 3 months [to their ministry] and to the ministerial services committee every 6 months. These recommendations dealt with:

--Combining integrative services in one place as much as possible, similar to combining the land registry office services with vehicle registration units or with the survey services.

--Spreading out the locations of service offices so as to bring them closer to the beneficiaries, similar to what has been done with regard to the booths for paying electric bills or the booths and vehicles of the consumer cooperatives.

--Supporting the policy of decentralizing some public services such as the opening of local passport, emigration and civil statutes offices.

--Increasing the outlets of congested services such as increasing the number of windows for receiving and giving out applications, especially on special occasions and during peak periods.

--Designating an evening period for providing services to citizens and organizing shifts for this purpose with a view to giving faster service and making it easier for government employees and those whose jobs make it impossible for them to take care of their needs during morning working hours.

--Utilizing stamped forms or stamps, instead of cash, to pay the service fees in an effort to save time and cost, and to make it easier for the people to reduce the pressures on the cashier's offices.

---Setting deadlines for completing the desired services and making the people aware of these deadlines upon applying for said services, along the lines of the system followed in the passport office.

--Reducing the pressure on service units through designating certain days during the week for submitting applications and other days for receiving the service when ready. Also, designating certain days for paying bills with odd numbers and other days for bills with even numbers with regard to subscription services such as telephone and electricity that are billed.

12502

CSO: 4504/302

EXPORTS TO IMPROVE BALANCE OF PAYMENTS DESCRIBED

London AL-TADAMUN in Arabic No 59, 26 May 84 p 64

/Text/ The correction of the deficit in the Egyptian balance of payments is one of the main goals the Egyptian 5-year development plan (1982/83-1986/87) is striving to achieve. The deficit is due to increased importing of goods of the consumer, intermediate, and investment varieties, despite all the policies and measures designed to rationalize imports. At the same time, commodity exports have fallen off, especially the traditional exports with a good reputation and known quality in international markets, such as cotton and rice.

The value of the balance of payments deficit was estimated to be about 1.831 billion Egyptian pounds (for the purposes of the calculation, the dollar/pound exchange rate is \$1.00 per 70 piasters) for the fiscal year 1981/82, which is considered the base year for the 5-year plan estimates.

The current balance of payments achieved considerable improvement during the 1st year of the 5-year plan, which was 1982/83. The value of the deficit fell to only 754 million pounds. Thus, a 58.8 percent decrease worth 1.077 billion pounds occurred in the deficit. However, statistics for 1983/84, the 2nd year of the plan, indicate that the deficit rose once again, to 1.075 billion pounds. Thus, a 42.6 percent increase worth 321 million pounds took place in the deficit. Despite this increase during the 2nd year of the plan, estimates of the net decrease during the first 2 years indicate that a new improvement of 756 million pounds was achieved, meaning that the deficit's average rate of decline for the 2 years in question was 41.3 percent.

The main reason for the balance of payments deficit is considered to be the deficit in the current balance of trade, which was estimated to be 3.017 billion pounds for the base year 1981/82. It then fell to 2.892 billion pounds for 1982/83. Estimates for the current fiscal year, 1983/84, indicate that the value of the trade account deficit will rise again to about 3.062 billion pounds.

These developments in the trade account are due to the decline in the value of commodity exports, including oil exports, from 3.552 billion pounds in the plan's base year to 3.490 billion in the plan's 1st year.

According to export estimates, the value of commodity exports is rising during the 2nd year of the which is the current fiscal year, to 3.688 billion pounds. Thus, the rate of growth is 5.7 percent.

An important aspect of the problem of the Egyptian balance of trade refers to the modest value of exports of goods and products of the agricultural, industrial, and mineral varieties. The weakness in this area is largely explained by a structural imbalance in the Egyptian economy resulting from the weakness of the commodity production sectors, which are considered the true foundation of any national economy and the major yardstick of the strength and solidity of the economic situation. The statistics on agricultural exports show how modest they are in terms of both quantity and quality. In the base year, they were worth 437 million pounds. In the 1st year of the plan, they increased by only 5 million pounds or so, despite the fall in cotton exports. The amount of cotton exported was 3.742 million quintars. The decline in international prices caused a decline of 30 million pounds in the value of these exports. This was compensated for by an increase in the return from exports of onions, vegetables, fruit, and citrus fruit equal to about 25 million pounds.

The value of agricultural exports for the current fiscal year is expected to be 440 million pounds. This estimate includes an increase in the value of exports of potatoes and citrus fruit of about 20 million pounds. At the same time, a decrease is expected in the quantity and price of other traditional exports.

On the other hand, industrial exports are not consistent with the magnitude and capacity of the Egyptian economy. They reflect the need to develop and modernize the industrial sector, to raise the quality of its output, and to decrease costs, so that the sector can compete in international markets. The value of industrial exports fell from 418 million pounds in the base year of the plan to 386 million pounds in the first year, meaning that a decrease of 7.5 percent occurred. This was due to the shortfall in the return from textile exports, with the exception of carpets and rugs. Exports of these goods rose from 2.9 million pounds to 6.9 million, while increasing in quantity from 670 tons to 922 tons. In addition, exports of basic mineral products fell. This was especially true of crude and refined aluminum.

The basic statistics for the current fiscal year of 1983/84, which is the plan's 2nd year, indicate that the value of industrial exports should rise to reach 415 million pounds, reflecting a growth rate of 7.4 percent. This will be due to an increase in the value of textile exports of about 25 million pounds. In addition, exports of beauty aids will rise by about 8 million pounds. Moreover, the opening of additional markets to aluminum exports will absorb an extra amount of that metal worth 10 million pounds. Similarly, exports of clothing and leather goods will increase by an amount worth 3.2 million pounds.

One of the main reasons for the deficit in the Egyptian balance of trade is the fact that the value of oil exports has been affected by the fall in world oil prices. At the same time, the rates of increase for the quantity of oil exported have fallen, while local consumption has risen and no new productive capacity has been added. Another important factor has to do with the plans to rationalize the organization of output from the extant oil fields. Production is to proceed at carefully determined rates that allow stocks to be maintained and the operational life of the fields lengthened.

The value of oil exports fell from 1.915 billion pounds in the base year of 1981/82 to about 1.860 billion pounds in the 1st year of the plan, meaning the rate of decline was 2.9 percent. Given the fact that more oil is being exported this year, it is expected that the value of oil exports will reach 2 billion pounds, meaning that the rate of growth will be 7.7 percent.

When one speaks about the ability to achieve a concrete reduction in the deficit during the 3 years left in the 5-year development plan, one speaks necessarily of plans and programs to control imports, especially imports of consumer goods.

The Egyptian government believes that in order to achieve this goal, it is essential to increase the output of new investment projects. According to last year's estimates, these projects contributed 760 million pounds worth of production. These products went to replace imports. This was reflected in the decline in consumer imports from 2.143 billion pounds in the base year to 1.954 billion pounds in the plan's first year. This drop reflected a rate of decline of 8.8 percent. However, the change was concentrated in the decline in the value of the majority of basic consumption goods, especially wheat, flour, corn, sugar and fruit. This shows that the output of investment projects went mainly toward counteracting the likely rates of increase in imports of consumer goods. It has still not reached the stage of replacing an actual portion of real imports.

Estimates indicate that the value of commodity imports will remain unchanged during the current fiscal year. Thus, it will be 1.95 billion pounds.

Imports of intermediate and investment goods represent the bottleneck of the trade balance. They cannot be decreased, since they are linked to the provision of the needs of the new development plans and projects, as well as to the operation of factories and extant projects, the expansion of their output, and the raising of their operational capacity. Their value is expected to rise to 2.8 billion pounds during the 2nd year of the plan. This means that imports of intermediate goods will grow at a rate of 9.4 percent, while imports of investment will grow at a rate of 7 percent during the current year of the plan. Thus, their value will rise to 2 billion pounds.

In addition, imports of consumer goods total 2 billion Egyptian pounds. One can speak about reducing this figure, but only partially, because it is linked to long-range economic reform. Then there are the private sector imports, which are worth 1.4 billion pounds a year. They consist mostly of intermediate and investment goods, unlike the personal imports brought in by persons coming from abroad and by people who work in the Arab countries. The value of these imports exceeds 1 billion Egyptian pounds a year.

How can all these imports be replaced, while a large part of the demand for them is switched to local production? This is an issue that might be more important than the capacity of the Egyptian economy to export goods abroad, but it does not displace the latter question.

12224

CSO: 4504/296

WAYS FOR ACHIEVING ECONOMIC SURPLUS OUTLINED

Cairo AL-AHRAM AL-IQTISADI in Arabic No 802, 28 May 84 pp 14-15

[Article by Muhammad Ibrahim 'Abd-al-Rahman, teacher of economics at Asyut University Business School]: "The Egyptian Economic Surplus, How Much Exactly? How Able Is Egyptian Economy To Achieve Financial Accumulation?"]

[Text] Actual economic surplus means the difference between society's current actual production and current actual consumption. In this sense, it corresponds to current saving and accumulation and is embodied in all kinds of assets that are added at certain times to society's wealth, such as production equipment, stored goods, foreign accounts and amassed gold.

As for potential surplus, it means the difference between production that can be achieved under normal conditions and certain technology relying upon production resources that can be used and between what may be considered necessary consumption.

Through these two concepts of actual and potential surplus we can perceive the waste in the national economy which is caused by veiled unemployment in the government apparatus, conspicuous and excessive consumption, the existing economic organization's inability to make the best use of available production resources and rampant corruption.

And favoritism, etc. All these kinds of waste in the Egyptian economy cause the attrition of a large part of economic resources in ways that do not serve economic development and reduce the level of the actual economic surplus. The actual economic surplus was about 509 million Egyptian pounds in 1968-69 and reached 609 million in 1971-72, compared to 593 million pounds for the industrial sector in 1968-69 and 742 million in 1971-72, as shown in Table 1:

Table 1

Economic Surplus in the Industrial and Agricultural Sectors From
1968/69-1971/72 (in million Egyptian pounds)

<u>Sector</u>	<u>Years</u>			
	<u>68/69</u>	<u>69/70</u>	<u>70/71</u>	<u>71/72</u>
Actual Agr. Surplus	509	535	515	609
Actual Ind. Surplus	593	646	735	742
Total	1,102	1,181	1,250	1,351
Close to	1,100	1,180	1,250	1,350

Source: Dr 'Abd-al-Hadi al-Najjar, "Actual Economic Surplus and The Role of Taxes in the Mobilization of the Egyptian Economy," Doctoral Dissertation, Cairo University, 1974, p 302.

The role of taxes in mobilizing this surplus is limited. The volume of direct taxes in the mobilization of the actual surplus in the agricultural and industrial sectors in 1968/69 was about 141 million pounds, which is equal to 12.8 percent of the 1.1 billion actual surplus in the agricultural and industrial sectors. In 1971/72, the surplus mobilized by direct taxes was about 181 million pounds, which is equal to 13.4 percent of the 1.35 billion actual surplus in the agricultural and industrial sectors. The same thing is true for the contribution of indirect taxes to the actual surplus which, in 1968/69, amounted to about 320 million pounds, or 29.1 percent of the 1.1 billion actual surplus in the agricultural and industrial sectors, and in 1971/72 to about 410 million, or 30.4 percent of the 1.35 billion actual surplus, as shown in Table 2:

Table 2

Weight of Direct and Indirect Taxes in Mobilization of Actual
Actual Agricultural and Industrial Economic Surplus From
1968/69-1971/72 (in Million Egyptian pounds)

<u>Item</u>	<u>68/69</u>	<u>69/70</u>	<u>70/71</u>	<u>71/72</u>
Actual Indus & Agri Surplus	1,100	1,180	1,250	1,350
Total Direct Tax Returns	141	165	178	181
Percent of Direct Taxes to Actual Surplus	12.8	13.9	14.2	13.4

[Table continued on next page]

[Table continued from previous page]

<u>Item</u>	<u>68/69</u>	<u>69/70</u>	<u>70/71</u>	<u>71/72</u>
Total Indirect Tax Returns	320	278	408	410
Percent of Indirect Taxes to Actual Surplus	29.1	32	32.6	30.4

Source: Dr Muhammad Rida al-'Adl, "General Financing in Fiscal Policies, Planning and Theory," Cairo, al-Istiqlal al-Kubra Press, 1970, p 152.

Perhaps the low rate of direct tax contribution to the actual surplus is attributable to the drop in the per capita income as a result of a drop in the GNP and to the failure of taxes to get to where the economic surplus is, thus allowing many high-income individuals, such as doctors, lawyers and show business personalities, and other free enterprises to evade taxes.

Moreover, the meager contribution of indirect taxes to the mobilization of the actual surplus is attributable to the inability of taxes to get to where the economic surplus is. A study showed that the indirect tax system in force in Egypt primarily falls upon the low and limited-incomes, rather than the high incomes. Taxes from cigarettes and tobacco accounted for over 50 percent of the total yield from customs fees in the early seventies and excise taxes on consumer goods represented the largest weight within these taxes as the tax on sugar was, on the average, over 40 percent. It was also clear that the heaviest burden of premiums (tax on spending) falls upon the basic commodities, the supply goods in particular, while durable goods such as air conditioners and passenger cars contribute no more than 4 percent of these revenues, and therefore, their contribution to the mobilization of the economic surplus is insignificant. Add to that the untapped capacity in industry. Available data shows that the unused output capacity for the period from 1968/69-1973 varied between 4.5 percent and 8.8 percent of the total value of the industrial output.

An important study on the untapped energy in public sector industrial facilities in 1965/66 showed that the shortage of output requirements was responsible for 58.1 percent of the causes for this untapped energy, while other factors related to machinery breakdown, obsolescence and want accounted for about 13 percent of such causes. This is in addition to a number of factors pertaining to marketing, absenteeism and transportation difficulties.

One thing that illustrates waste of resources in Egypt is the existence of industries that operate at less than ideal output capacity and the misuse of land whereby housing projects and factories are given priority over fertile agricultural land, not to mention taxes in arrears. As of the end of 1975, unpaid taxes amounted to about 184.5 million pounds, and unpaid customs fees totalled about 76.2 million for the same year. These various

kinds of waste in the Egyptian economy have rendered the mobilization of the economic surplus an extremely important issue because of its effective role in facing the chronic problems of the Egyptian economy. Economic surplus can be mobilized through the following means:

--The mobilization of the agricultural surplus through a progressive agricultural land tax which exempts small farmers and falls upon big agricultural landlords and through the restriction of expansion in the construction of housing and factories at the expense of fertile agricultural land.

--The mobilization of the industrial surplus through the levying of taxes at the source of the surplus and the elimination of the untapped output energy problem by providing production requirements and replacing old machinery whenever necessary.

--The ability of direct taxes to get to the sources of the economic surplus to fall upon the free professions such as lawyers, doctors and show business personalities.

--The modification of the indirect tax structure to extend to luxury items consumed by the rich to the exclusion of the poor.

Better methods of levying taxes on foreign companies operating in Egypt as a result of the economic open-door policy laws. Exaggerated concessions and tax exemptions for such companies are illogical because these companies investing inside Egypt are giant corporations that study international market needs before going into such investments and, therefore, the role of concessions in attracting foreign investments is not a key one.

--A highly efficient tax apparatus capable of collecting taxes in a better way. In 1975, taxes in arrears amounted to 184.5 million pounds, which explains the Tax Administration's inability to collect taxes on time. Taxes that bring in insignificant yields and require a great effort must be terminated.

--The elimination of negative symptoms in the Egyptian economy represented in veiled unemployment, luxury consumption by high-income individuals and misuse of foreign currency accounts.

--Diversification of agricultural production and interest in agricultural products for export such as vegetables and fruits, especially since such products do not require capital as much as the development of loading and storage means in view of the fact that the international demand for these products is increasing.

This rational mobilization of the economic surplus helps to raise local savings and is able to face the expenses of the largest portion of the economic development process, thus rendering the role of foreign financing secondary.

12502

CSO: 4504/302

COMMUNIST PARTY MEMBER DISCUSSES SOUTH, RELATIONS WITH EGYPT

Paris AL-YASAR AL-'ARABI in Arabic No 66, Jun 84 pp 14-15

[Interview with Muhammad Mahjub, Sudanese Communist Party member: "Numayri, Divine Ruler and Saudi Arabia"; date not specified; Paris AL-YASAR AL-'ARABI in Arabic; monthly organ of the Egyptian Communist Party]

[Text] For more than a year, hardly a day has passed without the press and the news agencies carrying reports on conditions in Sudan. A few years ago when the Khartoum University students were writing on the walls "there is no greater treason than al-Sadat's except for Numayri's," al-Numayri went on to ally himself with al-Sadat. When al-Sadat fell and Numayri felt that his end was approaching, he proceeded to entrench his relations of subservience to the Egyptian regime and to install himself as a divine ruler in what has become recently known as the implementation of the Islamic Shari'a. The downfall of Numayri's collapsed regime has only been delayed by the 12,000 Egyptian troops deployed in Sudan. However, all the acts of repression and oppression have not succeeded in putting an end to the strikes that have spread among nearly all classes and sects. Recently, Numayri has resorted to declaring the state of emergency and has changed and replaced his men and ministers. Despite this, nobody is wagering on his survival on the ruins of Sudan, not even Mubarak and the Americans, Numayri's allies.

AL-YASAR AL-'ARABI has conducted this interview with struggler Muahmmad Mahjub, a member of the Sudanese Communist Party which is leading the national struggle movement against the regime of lackeyhood and subservience.

[Question] Hardly a day passes without the news agencies carrying to us news of new events in Sudan, such as the strikes, the armed rebellion in the south, the declaration of the state of emergency and the cabinet reshuffle that followed this declaration. Numayri claims that his regime is exposed to threats by Libya and Ethiopia, especially in the wake of the Omdurman raid. What is happening in your country?

[Answer] The raid on Omdurman was an attempt to divert attention to what the regime describes as the external danger and it was an excuse to imposing the martial law so as to put an end to the escalation of the popular struggle in the north and the south.

[Answer] This issue is emerging more sharply accompanied by fundamental changes in Egypt, Sudan and the area. The Egyptian regime, which signed the Camp David accords, is an important part of the policy of exploiting these historical relations and of manipulating the masses; sentiments. This regime is following policies that serve the interests of U.S. imperialism in this area, the interests of all factions of bourgeoisie in Egypt and the interests of developing subservient big capitalism.

On the other hand, we see the flaw in this relationship through the Sudanese regime's exploitation of the relationship to protect itself from the wrath of the masses.

This framework is contained by a bigger framework, namely the U.S. interests in the two countries and then in the area, especially since the conclusion of the Camp David accord. The United States is the moving force behind the Sudanese-Egyptian military and security rapprochement that plays the role of the cat's paw in the Arab-African area, relying on the two countries' military, human and economic resources. It is within this framework that the integration issue can be discussed.

How can the results of this integration be in the interest of the masses at a time when power is in the hands of forces that represent the interests of subservient big capitalism and when the economic situation is subservient? Experience has proven that this integration is basically a military and security integration in nature.

We would like to say here that the future of this issue depends on the changes that could take place in the two countries. It is no secret to Communists in both countries that the projections for unity must contain certain principles. But what is most dangerous in the issue is that the reactionary forces project these slogans of unity, empty them of their content and transform them into demagoguery to implement schemes that are hostile to the masses.

In the course of the development of the Sudanese revolution and of the masses' struggle against the lackey ruling regime, the Egyptian regime's relations with the Sudanese regime have become an issue over which silence cannot be maintained and an issue that cannot be disregarded because it is connected with the question of the triumph of the revolution. This relationship has become an element in the revolution's calculations.

Agents' Tasks

[Question] You have said that the Egyptian and Sudanese regimes are integrated within the framework of subservience to the United States. What is the role they are performing in this regard?

[Answer] The role which the Egyptian regime is playing since al-Sadat's days (Moroccan-Egyptian-Sudanese forces) [as published].

The allegations that there are Ethiopian-Libyan attempts to overthrow the Sudanese regime are a cover for the U.S.-Egyptian axis established to rescue Numayri's regime, which is rejected by the masses. The role of the U.S. Central Intelligence Agency in protecting the regime is obvious. In return, Numayri has offered four military bases and has held joint U.S.-Sudanese maneuvers (Natural Bond of September 1983) at a time when U.S. maneuvers were held with Somalia, Oman and Egypt each. Experts from the United States supervise the Sudanese army and security agency and these experts enter the country under the guise of employees of U.S. firms and of U.S. aid programs. They infiltrate the state apparatus and the public sector establishments and supervise the ideology section of the state security agency which focuses on fighting the Sudanese Communist Party with the aim of completely liquidating it.

As for the phenomenon of the escalating popular struggle, especially the union struggle, in Sudan and of the expanding movement of labor and professional strikes which have encompassed large numbers of workers and professionals, including doctors, engineers, university professors and others, it is a clear indication that Numayri's regime has practically fallen and an indication of the determination of all the popular classes and groups to wrist their freedom. Numayri has resorted to applying the Islamic Shari'a in an attempt to mislead the masses in the name of Islam. But this endeavor has misled only the Muslim Brotherhood, which is completely for Numayri.

The Islamic laws will be of no use against the escalating popular movement. Even at the regional level, it is an acknowledged fact that the Islamic tide of the late 1970's (Iranian revolution) has receded, has been shaken and has led Islamic thought to a new crisis.

Martial law will not, of course, help solve the deteriorating problems of unemployment and inflation, of the collapsing agricultural and industrial economies and of the unavailability of foodstuffs. The unavailability of foodstuffs has been behind the processions of the starved that have swept most areas of Sudan in recent years and which have been suppressed by the security forces with bullets.

Situation in South

[Question] What is the situation in South Sudan?

[Answer] In the south, the mill of civil war is turning as violently as it can. The Egyptian forces (the air force) are taking part in suppressing the armed opposition. The map of the opposition in the south is expanding and is being joined by elements from all the political parties and organizations there, of which the most important are:

- | | |
|--------------------------------|--|
| A. SANU; | E. The Imatong Revolutionary Movement; |
| B. The southern Front; | F. The National Action Movement; |
| C. Anayanya II; | G. The Popular Front for the Liberation of Southern Sudan. |
| D. The National African Front; | |

Insofar as Chad is concerned, Sudan has been a route for the passage of weapons from the United States, Egypt and France.

Sudanese-Egyptian-Libyan relations had never experienced the decline they have undergone under the administrations of al-Sadat and Mubarak. Sudan and Egypt are rejecting any rapprochement with Libya, Ethiopia and Aden on the basis of common struggle.

At present, it is asserted that Sudan has been transformed in the hands of the U.S. military experts into a training camp for the remnants of Idi Amin in Uganda, for Ethiopian elements with monarchist roots and for Habre in his attempts to entrench his power.

The most important item is the dispatch of volunteers to fight in Iraq (the same goes for Egypt).

The two regimes are performing a premeditated role that is hostile to the liberation movement in the Arab and African region out of subservience to the United States. Here is where aggression or force in the relations between the two regimes emerges. In the past, the policy of polarizing certain forces and using the intelligence agencies was the predominant policy. But now the policy of force has become the firm base of Egyptian policy in Sudan. It is a policy of interfering in the political conflicts in Sudan through the use of force, especially with the explosion of the situation in South Sudan, taking into consideration the socio-cultural makeup of the south. The Egyptian air force has hit a number of villages and towns in South Sudan.

Abrogating the experiments, especially the organizations, which has greatly impeded our people's experiment and aspirations: hostility to democracy, ties to suspect cultural and labor institutions, the attempt to control the popular organizations and to bribe yellow elements in these organizations. In this kind of media there is even the Nile Valley Parliament--a monstrosity which the masses did not elect and which is an imposed organization and a facade to liberate the legislation and laws that serve the interests of the two regimes--with its Nile Valley Radio.

[Question] And what is the position of the opposition parties?

[Answer] The programs of these forces (the National Party, and the Democratic Union) make it very obvious that they are strongly opposed to this integration. The political leadership of the south is also opposed.

We have been working for a long time with the two parties to bring them closer to the position of joint action. The points agreed upon include the point of examining Egyptian-Sudanese relations in a manner that serves national independence and that opposes the military presence and the rude intervention in Sudan's internal affairs.

[Question] Then we can conclude from your statements that the Egyptian regime's intervention in Sudan can influence relations between the two peoples?

The Sudanese Communist Party had been expecting a ferocious assault against it months before the declaration of martial law. But it is my evaluation that regardless of how much the regime's violence escalates, the general direction of the popular movement will continue to intensify and this movement will not retreat.

[Question] How will your party face these developments? How does it propose to deal with the explosive situation in Sudan?

[Answer] Our party has raised an important demand, namely the demand of unifying the opposition. The major issues around which the party is trying to unify the opposition are: the economic and fiscal crisis, the civil war in the south, the escalating terrorism and the suppression of democratic rights and liberties, the corruption and parasitic aggrandizement, the squandering of the country's resources and the U.S. political, economic and military domination of Sudan. The popular disposition is forming a force that is pressuring the leaderships of the opposition parties to declare a unified opinion and unified position vis-a-vis these issues by virtue of their enormous political impact on the popular movement and on the future of the opposition.

The map of the Sudanese opposition is large and varied. The opposition would constitute a vast force if it united on a minimal program and on a unified opposition platform at the national level.

The Sudanese Communist Party is also urging the opposition to present a daily popular action program. This is an urgent need because the political reality indicates that in their movements, battles and efforts to unite the ranks of this or that organization, the masses are ahead of the political leaderships of the opposition.

This fact is confirmed by the masses' sacrifices in fighting the domination of the lackey ruling regime -- sacrifices that have exceeded all imagination.

An opposition platform is important to guide the popular movement in its advances and retreats. The masses have recognized with their realistic sense the value of organized political action after numerous spontaneous outbursts which have continued to flare up and then subside.

The masses are fully aware of the fact that they are facing a bloody and domineering regime that has no solution to their problems other than the solution of terror and murder. The main objective of martial law is to strike the union and political movements. The masses are influenced by the climate prevalent in the Arab region (the latest developments in Lebanon) and are expressing their wish to see the Sudanese opposition move forward to break the siege imposed on Sudan so that Sudan may perform its progressive Arab and African role.

Integration Story

[Question] How do you view the issue of integration between Egypt and Sudan?

[Answer] It is our evaluation that relations between the two peoples have never gone through as critical a period as the current period. We have had our reservations on the development of official relations between the two countries. Rather, this issue has occupied a large place in our party's thinking since it was founded and since it formulated its program. The party was founded in 1946 and the issue of Sudan was raised at the time on the international podiums and at the level of relations between the two countries. Sudan was affected by those relations because the conventional parties were divided into two groups:

1. The unionist groups: unity of the Nile Valley under Egyptian control (the Unionist National Party) so that this unity may be used against colonialism.
2. The parties tied to colonialism: independence within the framework of the British Commonwealth.
3. The Communists in Egypt and Sudan were the first to formulate the slogan of evacuation, the right to self-determination and joint struggle by the two peoples. They did not support unity under the rule of the king, the pashas and the Egyptian bourgeoisie, which wanted to expand. Neither did the Communists support an independence that bound Sudan to Britain within the framework of the Commonwealth. This slogan was at the time a new slogan founded on the basis of mutual respect and common struggle against imperialism and for progressive transformations in the interest of the two peoples.

We noticed the importance of this issue from the geographic proximity and the common issues between the two peoples, such as the Nile and other issues which affect the masses. In those periods of history, this slogan was moving with difficulty because of the deception of the official media. This official tendency extended even beyond the 23 July Revolution. The most prominent examples were the actions of Salah Salim, the minister of state for Sudanese affairs in the early stage of the Egyptian revolution. This situation was not corrected until the first Sudanese parliament was elected and when it became evident that the slogan of independence was supported against Egyptian policy.

The Communists were not against unity. Rather, they raised a slogan that served the common struggle and interests of the two peoples.

[Question] Will Egyptian intervention in Sudan delay the fall of Numayri and can Egypt protect him?

[Answer] If we learn from the lessons of history, then any regime that loses the objective mainstays of its existence cannot rely on any power in the world. The most powerful military machine cannot protect it.

What is important to us is that the masses do not share the Egyptian regime's official political tendency in Sudan. The Egyptian regime's intervention, including its military intervention, in Sudan comes on a decision from the authority. However, we appreciate the dimensions of the pain that

the two peoples could suffer if the Egyptian regime opted to suppress the people's movement at the moment they rise in a revolution to topple the Sudanese regime.

Regardless of what this intervention produces, it will sabotage relations and create a big rift. We cannot but stress that there continues to be residues of (historically rooted) chauvinism.

The Egyptian people are aware of their duty toward the Sudanese people and their support for the Sudanese people, and the opposite is true. In the liberation battles waged by Egypt, the Sudanese people stood by the Egyptian people out of their appreciation for Egypt's liberationist role. The masses in Sudan responded to any progressive transformation in Egypt (nationalization of the canal, steadfastness in the 1956 war and so forth).

It is obvious that the lowest mark reached in the relations between the two countries came under al-Sadat's administration. Al-Sadat was hated in Sudan as intensely as Numayri is hated now.

8494

CSO: 4504/291

RESOLUTIONS, ACCOMPLISHMENTS OF NINTH BA'TH PARTY REGIONAL CONGRESS

Baghdad AL-JUMHURIYAH in Arabic 7 Apr 84 p 8

[Article: "Comrades Muhammad Hamzah and Sa'di Mahdi Salih: Ninth Regional Congress Is Turning Point in Party's Procession"]

[Text] The ninth regional congress of the Arab Socialist Ba'th Party has constituted an important turning point and has created a decisive historic turn in the party's struggle course and in the revolutionary procession led by Iraq. The congress has gained its special importance from the difficult and complex circumstances under which it was convened and which have engulfed Iraq and the Arab homeland--circumstances embodied in Iran's aggression against Iraq and in the simultaneous escalation of the Zionist-imperialist onslaught against the Arab nation in a phase characterized by the absence of the unified pan-Arab position and by the decisive heroic confrontation in which Iraq has engaged single-handedly on the eastern flank of the Arab homeland to repel the aggression of the ignorant regime ruling in Tehran at a time when the procession of building, development and socialist transformation has moved forward steadily in Iraq. The congress has also gained its special significance from the important fundamental issues it discussed and on which it has defined the party's intellectual and principled position.

To better familiarize ourselves with the various aspects of the congress and of its major importance, with the discussions that took place in it, with the importance of the resolutions it issued, with leader Saddam Husayn's role, instructions and distinguished intellectual additions which enriched the congress' discussions and resolutions and, finally, with the importance of the historic document issued by the congress--the ninth congress' central report--AL-JUMHURIYAH has interviewed comrades Muhammad Hamzah and Sa'di Mahdi Salih, two members of the party's Regional Command and of the congress, and discussed with them these aspects.

Fundamental Transformation Point

In our interview with Comrade Muhammad Hamzah, a member of the party's Regional Command, he discussed the special importance of the congress, saying:

Convocation of the ninth congress of the Arab Socialist Ba'th Party is considered a fundamental turning point in the party's and revolution's life. The congress has been held under circumstances in which our Arab nation is facing the plot to strike and liquidate the Palestinian revolution and Lebanon's occupation by the Zionist enemy while Iraq has been waging a ferocious battle against the malicious, racist Iranian enemy.

Thus, the conference has been held in a very delicate and serious phase and under difficult and complex pan-Arab, regional and international circumstances. At the time when the congress was convened, the malicious Iranian enemy was declaring his malicious racist plans to occupy Iraq, to topple its great revolution and extinguish its bright torch and to harm its historic leadership.

In view of the delicate, difficult and special circumstances, whether regional, pan-Arab or international circumstances, under which the congress was held when our battle against the Iranian enemy entered a phase in which the dimensions of the plot against Iraq, its revolution and its people had become obvious, especially in the wake of the withdrawal of our forces to our international borders, of the Iranian regime's declaration of its determination to continue the war against Iraq and to occupy its land, of the open support of the Zionist entity and of the regimes of treason in Damascus and Tripoli for this regime and of their providing it with weapons, equipment and extraordinary aid, of their economic pressure against Iraq in favor of the Iranian regime through blocking the passage of Iraqi oil via Syrian territories at a time when the international media blackout, imposed by imperialism on our battle, continued, when the element of indecision prevailed at the Arab and international levels vis-a-vis this battle and when clarity, frankness and rising to the level of responsibility were lacking on the part of numerous international circles in defining their positions toward this war of aggression that is imposed on our country;

And in atmospheres saturated with full democracy, with frank dialogue and with objective and purposeful debate, the congress tackled the issues presented to it. All the congress members participated in this discussion, proceeding from the climate of broad democracy dominating the congress. Numerous studies were presented to the congress and were examined by several committees emanating from it. As a member of this congress and from a position of historical responsibility, I say that from the moment comrade leader Saddam Husayn opened the congress, he emphasized the need to provide all the congress members with a broad sphere of democratic dialogue so that it may lead to positive results. His excellency asked the congress members to express their opinions and to discuss frankly all the issues raised. He also underlined the need to discuss all issues, both big and small, concerning our people, party, revolution and nation and the need to express opinions on these issues so that they may be discussed fully so as to reach resolutions that serve the people, the party and the revolution.

As a result of this democratic climate, the numerous issues raised before the congress were subjected to full examination, discussion and dialogue,

thus allowing the resolutions to be issued with the absolute approval and consensus of the conferees. I also say, out of a position of historical responsibility, that the main and important role in the congress was performed by the comrade leader, by his wise and weighty instructions and opinions and by his participation, which contributed effectively to crystallizing the principled and clear vision vis-a-vis many of the issues raised before the congress.

Regarding the most important issues discussed by the congress, Comrade Muhammad Hamzah said: The congress discussed a large number of main and important issues, such as the Iraq-Iran war, the given facts of Qadisiyat Saddam's battle, the issues of development and socialist transformation, the role of the armed forces and of the popular army in the battle, the Arab and international issues and other issues.

The war imposed by the enemy on our country consumed a large part of the congress' time because the congress was held while the war against the Iranian enemy has been going on.

Even though all the issues discussed by the congress were important, the issue of the religious question was the most important issue discussed and the congress has defined the party's position toward this issue in a frank, principled and clear manner. It is an issue that occupied the congress' attention and on which lengthy discussions, saturated with frank opinions, took place.

Despite the long time taken by the congress' sessions--with the final session beginning at 1800, lasting throughout the night and ending at 0700 on the next morning--and despite the in-depth intellectual discussions which took place in the congress and in which the leader president participated with a prominent role, his excellency seemed to be extremely lively and energetic and his smile never departed from his lips. He was encouraging the conferees to engage in dialogue and discussion and to express their opinions with a high spirit of democracy. He seemed to be glad and happy when numerous opinions were expressed and discussions lasted a long time, saying: "This is the path to reach the sound resolution." Thus, the comrade leader was the candle that lit the way before the congress and was the enlightened intellect which provided qualitative intellectual additions to the congress' discussions.

Leader and Historical Necessity

Regarding the most important resolutions adopted by the congress and regarding the historic importance of the central report of the ninth regional congress, Comrade Muhammad Hamzah says:

The congress has issued several fundamental resolutions, included in the central report. They are extremely important resolutions that deal with the regional, Arab and international conditions and with the intellectual positions vis-a-vis these conditions. However, one of the most outstanding and important resolutions issued by the congress is the resolution renewing the party's and people's confidence in the wise, historic leadership of

Leader President Saddam Husayn, whom the congress has described as the "historic necessity leader"--a resolution expressing consensus over his unique leadership, appreciation for the prominent role of his excellency the president in the life of the people, party and revolution and in leading the historical procession of our struggling Iraq, underlining the rallying of all Ba'thist strugglers and of our people's masses behind the banner of his vigilant, courageous and honest leadership and also expressing appreciation for the president's historic role in leading the battle against the Iranian enemy successfully and in achieving victory in this battle, as well as appreciation for his leadership of the procession of development, building and transformation. It is the first time that these points have been the subject of discussion in the party's regional congresses, thus answering the abominable voices rising from behind the borders to try futilely to spread lies.

I would like to say here that the congress elections which took place in a climate of full democracy, beginning with the lower leaderships and ending with the higher leaderships and with the Regional Command, constituted a partisan and popular referendum on the historic leadership of the president and leader. This referendum was reaffirmed with the unanimous election of the leader president as leader of the party, the people and of the revolutionary procession. It also confirmed the prominent role of his excellency the president in the life of the people, party and revolution.

The central report also includes important resolutions on our just battle, on securing the requirements of triumph in this battle and on the role of the armed forces and of the popular army. For the first time and without any ambiguity, the congress has defined the position of the party and of its ideology vis-a-vis the religious issue, settling this issue in freedom from any private interpretation and underlining alignment with faith against atheism while asserting full adherence to the party's socialist, revolutionary and pan-Arab ideology.

I can thus say that the central report of the ninth congress constitutes an important intellectual document and a working guide for this phase with its intellectual projections, principled positions, action indicators and serious study of the various issues of the national, pan-Arab and human struggle.

High Appreciation for Leader's Role

At the outset, Comrade Sa'di Mahdi Salih spoke of the leadership role of Leader President Saddam Husayn at the ninth regional congress, asserting that all the comrade members of the congress appreciated highly the effective leadership and pioneer role of comrade struggler Saddam Husayn who enriched the congress with his sound opinions and his profound revolutionary analyses, thus enhancing the congress. This was evident during preparation of the correct and sound formulas and methods adopted by the congress. This is not much for comrade Saddam Husayn, the procession's leader and engineer.

Salih added that the leader president has always gotten us accustomed on all occasions to such revolutionary innovations and projections that have entrenched the party's and revolution's procession in a manner that serves the broadest masses of the people.

Salih further said: Comrade Saddam is tantamount to renewed energy at every time and under every circumstance. He is the historic leader needed by the phase--the "historical necessity leader."

Historic Phase and Difficult Tasks

Salih asserted that the phase in which the congress was convened was a serious and decisive historic phase and that the circumstance which engulfed the congress, whether at the party level or at the level of our country's revolution, was dangerous and difficult.

This phase was characterized by the intensifying imperialist-Zionist plotting and by the escalating Iranian aggression against Iraq. All these have agreed to harm Iraq and to obstruct its progressive procession and its people's awakening. Otherwise, how do we interpret this ceaseless and boundless support by the Zionist entity and by the imperialist countries for the lackey regime in Tehran?

Their assessment was that these material and military resources advanced to Khomeyni's regime, in addition to the information, advice and expertise they offer him, would enable this regime to harm Iraq. They completed their plot by imposing the economic blockade on our beloved country through obstruction of the passage of Iraqi oil via the territories of Arab Syria by al-Asad's treasonous regime.

The comrade member of the regional command added:

From all this, we reach a clear vision of the dangers engulfing Iraq in that period. This required the party and its inspired leadership, represented in Leader President Saddam Husayn, to take the steps necessary to confront this dangerous aggression and this ferocious scheming at the political, economic and military levels.

Comrade Sa'di Mahdi Salih noted that convocation of the congress under such circumstances embodies in itself a courageous and great initiative and an advanced revolutionary formula to provide the sound and correct answers and approaches to the issues facing the country and the Arab homeland and to establish the methods to confront and defeat the aggression and plotting against Iraq. Convocation of the congress, the climate that dominated it, a climate characterized by a high democratic spirit, and the resolutions issued by the congress have created a major transformation in the people's life, embodied in the unique heroic stance of Iraq's men in answering the aggression and crushing its hordes.

He further said: The ninth regional congress created a new spirit among the ranks of the party's strugglers and masses in Iraq and the Arab homeland

and has bolstered the masses' self-confidence and their capabilities and resources to achieve victory.

Positive Democratic Climate

Comrade Sa'di Mahdi Salih went on to say:

The positive democratic spirit characterizing the congress' discussions was very high and made it much easier for the conferring comrades to discuss the issue raised--issues on which proper resolutions bolstering the party's leadership role in building the country were adopted. This spirit has also enhanced Iraq's ability to defend itself and its great gains against the ferocious aggressive assault. It also made it easier for the congress to issue its historic document, the central report, which is characterized by its comprehensive nature and by its profound and objective analysis of the entire revolutionary procession led by the party.

The comrade member of the Regional Command added: The central report of the ninth regional congress has evaluated the party's procession in a careful and vigilant manner and with a revolutionary approach and has analyzed frankly and clearly all the difficulties and obstacles which have faced the triumphant 17-30 July revolution since its inception in 1968 and until the present. The report has also paused before every problem and has established the formulas and methods through which the party has been able to confront and tackle those difficulties and problems with decisive success, as proven by the period following convocation of the congress.

The congress has also given its courageous and clear visualization of the future procession and of the results that will emanate from scoring a decisive and certain victory against all the enemies and its diagnosis of the new situation that will prevail in Iraq after these victories.

Central Report and Central Issues

[words missing] and the role it will undertake in the face of the Arab nation's problems and in confronting firmly all the ferocious plots to which this nation is subjected.

Thus, the central report has not left any central issue, whether at the country's level or at the level of the Arab homeland, without tackling it, analyzing it carefully and scientifically and formulating the sound revolutionary approaches to tackle it. It is also not surprising that the congress devoted special attention to Iraq because the party is leading its revolution in this arena and because Iraq is confronting the malicious, racist Iranian aggression and the imperialist-Zionist plot aimed against the Iraqi people, territories, culture, heritage and future.

The central report has also devoted attention to the time period between the eighth and ninth regional congresses and to the important developments undergone by Iraq at the political, economic, social and cultural levels.

It has, moreover, reviewed the developments undergone by the area generally and by the Arab homeland in particular, noting the causes and consequences of those events and offering its careful and scientific viewpoints on how to deal with them.

Criticism and Self-Criticism

Comrade Sa'di Mahdi Salih has noted that the congress exercised, at the broadest level and with utter freedom and democracy, the process of criticism and self-criticism, considering that the process of criticism and self-criticism is one of the party's fundamental formulas and principles. The party has been and continues to be eager to engage in this process. This is what had happened and had been reaffirmed in its previous congresses and underlined with effective seriousness in the ninth regional congress. This principle embodies the true democratic spirit, not just at the level of the party's organizations. It conveys this spirit and spreads it at the level of the people and their popular organizations. The party has thus engaged in a creative educational role embodied in raising the formulas for application of the principles of popular democracy to higher and more advanced levels and phases and in entrenching the citizen's understanding and awareness of freedom in all its forms, whether at the individual level or the collective level.

We realize the importance of the congress from all this. It is my opinion that the convocation of the congress is in itself a courageous and heroic initiative on the part of the party leadership. The major importance [of the congress] is embodied in the resolutions it issued, especially its central report. The comrade member of the Regional Command concluded: Finally, the present and future phases will witness practical applications of the principles and resolutions approved by the congress and included in the central report--practical applications that enable Iraq to move to an advanced phase with revolutionary formulas that make its victory against all the challenges, including the malicious Iranian aggression, certain.

8494

CSO: 4404/506

MINISTER UNDERLINES INDUSTRY'S CONTRIBUTIONS TO WAR EFFORT, EXPORTS

Baghdad AL-JUMHURIYAH in Arabic 25 Mar 84 p 4

[Interview with Subhi Yasin, minister of industry and minerals, by As'ad al-'Aqli: "Productivity Has Risen and Production Has Been Developed in War Years"; date and place not specified]

[Text] The industry and minerals sector holds special importance in both the years of peace and of war. In this interview with Subhi Yasin, the minister of industry and minerals, we will try to underline the aspects of the progress achieved during the years of the battle waged by our valiant armed forces and people's masses in defense of the homeland's sovereignty and of the nation's dignity and impregnability.

[Question] The proper starting point might be for us to be familiarized with the tasks that occupy the position of priority in the current phase insofar as the industrial sector is concerned.

[Answer] As in the other sectors, the Ministry of Industry and Minerals has set before its eyes the instructions of the party's and revolution's political leadership, headed by Saddam Husayn, the struggler and the commander of the victory, and the given facts of the central report of the ninth Iraqi congress of the Arab Socialist Ba'th Party generally and the contents of the report concerning the socialist industrial sector in particular. We have mobilized all our theoretical and practical expertise and all our resources to achieve the objectives targeted within the framework of the tasks of the current phase, of which the most important are:

First, introduce the necessary modifications, changes and developments into the approved plans and programs in a manner that leads to diversifying the makeup of our industrial products, to insuring utilization of the technology and of the available and accumulated practical experience and expertise, to insuring the efficiency of the planning and management of production and to absorbing modern technology and crystallizing the possibility of the establishment and development of this technology in a manner compatible with our needs generally, our intrinsic circumstances and with the special characteristics of our development experience in particular.

Second, continue to supply the local market with its commodity needs, keep pace with demand, increase the production of goods replacing imports and

plan to avoid the emergence of an unexpected shortage in the basic goods essential to the citizens' life and work.

Third, secure financial resources, avoid aspects of waste, squeeze costs, reduce spending, preserve resources and energy and curtail their wasteful use, rationalize their consumption, enhance the capacity of the machinery and increase the yield of the technological channels and of the production processes.

Fourth, enhance the productivity of the workers, rationalize the use of manpower and move it to the sites where it is more strongly needed and eliminate the aspects of masked unemployment and the other aspects that undermine efficient performance and productivity.

Fifth, increase the volume of industrial exports, either from products channeled toward exportation, such as sulfur and phosphate, or from products in which surpluses are achieved, making it possible to export them, and exert efforts to develop the quality of our products and make them competitive with similar foreign products.

Production and Productivity Indicators

[Question] The given facts concerning implementation of the approved plans and programs underline the reality that production and productivity in the industry and minerals sector have been enhanced during the war years. What are the most important indicators that can be emphasized in this regard and what, in particular, are the actual accomplishments in 1983?

[Answer] There are in fact numerous aspects through which it is possible to discern the level of qualitative and quantitative development in production and in productivity during the war years, especially if we take into consideration the work tendencies prevalent in all the installations and establishments and the nature of the relationship existing among them, in addition to the methods used in the utilization of the human, material and other resources. Moreover, we can emphasize some total indicators which reflect the actual progress achieved in the sphere of production and productivity, particularly in 1983 when production registered an implementation rate of 99 percent of the 1983 plan. Thus, production developed by 15 percent in comparison with 1982 despite a net drop in the labor employed in the various activities as a result of the participation of the workers on the battlefronts.

As for the marketing plan, a development of 11 percent was achieved in 1983 in comparison to 1982. Worker productivity rose by 5 percent in the period under discussion.

The Ministry of Industry and Minerals adopted the method of direct implementation in many projects whose construction had been previously entrusted to foreign firms, including the rural electrification project, of which the first phase has been completed, and the project to modernize and expand the distribution and lighting networks, to install diesel generators and transformers and to link electricity generators in many of the country's governorates.

Many projects were completed and have entered the stage of production during the war years. It suffices to note that 1983 alone witnessed the completion of 33 enormous projects, especially the electricity transformers plant, enlargement of the light bulbs plant to produce incandescent lights and car and refrigerator lights, the new line for the production of fluorescent lights and the construction of numerous housing units and complexes annexed to industrial projects in the governorates.

Escalating Initiatives and Reviewing Technological Channels

[Question] It can be said that there is a firm link between the initiatives and the enhancement of the production capacities on the one hand and reviewing the technological channels on the other hand. What is your evaluation of this link and can we paint a brief idea of the accomplishments achieved in this sphere?

[Answer] Motivating the human element is one of the basic factors in enhancing productivity by virtue of the positive impact this process [of motivation] has on the ideal utilization of the available machinery and technology through the absorption and development of this machinery and technology with the aim of raising the production capacities and rates, of putting idle lines into operation and of developing, the production lines operating at low productivity. In this regard, it is worth noting that the technological channels and the production steps have been reviewed with the purpose of utilizing the capacity of the machinery and of the production lines ideally and of implementing efficiently the principle of using alternative and local materials in industrial production, in addition to reducing steps, saving on materials and time and lowering costs without undermining quality. This has been achieved in a number of industrial establishments and the examples are numerous, including what has been achieved in the Public Organization for Mechanical Industries where the process of manufacturing some tractor parts was modified, thus leading to less wear and tear on the machinery, to reduced [production] time and to making materials available.

In the Public Vehicle Manufacturing Organization, the technological assembly tracks were reexamined to make them compatible with the new production lines of the tractor bodies plant, the body assembling processes have been reset and a system has been established with the aim of reducing the workhours and of increasing productivity. For the first time, canes have been used successfully at the paper mill for the production of paper for cement bags. To secure the needed production, the necessary modifications have been introduced to the production lines without affecting their use for the bagasse pulp.

In the plant for the production of school notebooks, where the productivity had dropped to nearly 35 percent in May 1982, thus making the plant unable to meet the needs of the Ministry of Education for 1982-83, numerous measures were taken, led by the reorganization of work, adoption of the system of incentives, putting some idle lines into operation and dealing with the problem of the specifications of imported paper. Consequently, the

production rates were raised regularly in the latter months of 1982, with the production reaching at the end of that year 86 percent of the targeted production. Thus, the full needs of the said scholastic year were supplied. In 1983, production exceeded needs. This helped us turn our attention to the production of other commodities needed for the local market, in addition to the possibility of exportation.

To sum up, the initiatives increased countlessly and in a manner that does not make it easy to determine their dimension and their positive impact, considering that the initiatives covered all our production and complementary service installations, organizations and departments.

Rationalized Use of Manpower

[Question] The most prominent tendencies of the industry and minerals sector are evident in the efforts to rationalize the use of manpower in its capacity as the basic production element. What about the most important trends sanctioned to achieve this goal and what are the accomplishments achieved?

[Answer] The constant enhancement of the capability of the workers with their various specializations, skills and job levels is a main condition for curtailing waste and for using the available production capacities ideally and, consequently, for achieving the fundamental objectives of manufacturing--objectives embodied in the constant improvement of the product's quality, producing the commodity in the needed quantities, reducing the costs of producing the commodity and maintaining the specified standards.

Out of its belief in this acknowledged fact and with the purpose of embodying it in living reality, coupling this embodiment with the requirements of reality, with practically and tangibly applicable measures and with changes for the better during implementation, a careful field survey was conducted on the various components of manpower in terms of nationalities, sex and the requirements of our just battle against the tyrannical enemy. The indicators pertaining to the makeup of the manpower are now clear to us as a result of this survey. A number of channels, courses and means have been used to deal with some of the diagnosed aspects of the flaws. Foremost among the steps taken is the adoption of training and re-training as an effective means to develop the immediate work skills and to modernize and develop the knowledge and experiences of the various levels of the administrative cadres, in addition to conducting courses whose details have been designed with the aim of converting a part of the service and auxiliary labor into direct labor, with the courses conducted periodically and regularly. To achieve the above, a distinctive training program for the entire ministry was prepared for 1983. This plan is the biggest of its kind since the ministry was founded, considering that it includes 950 development [training] courses in which nearly 7,000 members [of the ministry] enroll, i.e. nearly 20 percent of the net number of Iraqi members [workers].

Thanks to the constant and ceaseless followup and to surmounting the obstacles hampering the progress of implementation, we have been able to achieve tangible positive results, including raising the rate of implementation to 120 percent insofar as the number of courses is concerned and to 117 percent insofar as the number of participants is concerned. These facts mean that we have included 23 percent of the net number of the ministry's members, including both the general and advanced cadres, in the training courses in comparison with the targeted 20 percent. We have also been able to convert 1,190 members from the level of service and auxiliary labor into direct labor with 750 members, i.e. with 2.5 percent of its total, through self-training courses. This production and its yield is considered a qualitative leap in the direction of developing and modernizing the knowledge, skills and experiences on the one hand. On the other hand, this yield has motivated us to prepare a more comprehensive training plan for 1984--a plan designed to provide training to a net of 27 percent of the number of workers.

On the other hand, the emphasis has been put on boosting the training activities in our vocational centers so that they may reinforce the direct labor group and may help the production installations with their manufacturing capabilities.

The women's element has been used as a basic tributary supplying the manpower working in the production units where the nature of work is compatible with women's capabilities. In this regard, we have achieved positive results in some of our installations after modifying the work shifts in a manner that does not conflict with women's special circumstances. We have also given constant and ceaseless instruction that special attention be devoted to the nurseries in the production units, that some of these nurseries be enlarged and that the level of their service be raised, keeping in mind that the women's element rose throughout the ministry in 1983 by 15 percent.

Growth of Integration Element

[Question] Through our visits to a number of installations, especially the new ones, we have noticed crystallization of the phenomenon of mutual reliance among these installations, thus strengthening the element of integration. How do you evaluate this phenomenon in light of the tangible facts?

[Answer] No industry can be self-sufficient in meeting its needs. One of the most important experiences learned by our establishments and their installations from the circumstances of the war against the expansionist, racist Iranian enemy is to turn to mutual reliance in securing many of their needs instead of resorting to foreign sources to meet these needs. This cooperation has extended to include also the other circles beyond our ministry's organizations and installations are reflected in numerous spheres, especially the sphere of supplying materials and equipment manufactured by our plants, particularly the materials and equipment needed by the Public Electricity Organization's projects, considering that a significant part of these materials and equipment is produced with the desired quality and in

quantities that meet to a large degree what is needed to implement the electricity projects.

The importance of securing local capabilities is also reflected in the production of reserve equipment, especially under the circumstances of the battle we are waging against the tyrannical Iranian enemy and in terms of breaking the monopoly of some manufacturers producing certain machinery and equipment. The maintenance workshops in a number of our installations have proceeded to confront this problem and a large number of spare parts has been produced, not just for their original purpose but also for the purpose of maintenance of the equipment and machinery of other installations. Our installations play a prominent role in the sphere of manufacturing reserve equipment. We will devote special space for this aspect which will be the source of pride for the Iraqis in the efforts of their brothers, the workers and technicians in our industrial sector.

Increased and Diversified Exports

[Question] It is noticed that there is tangible progress in the sphere of increasing the exports of the industry and minerals sector, not to mention the diversity of the commodities exported during the years of the glorious battle. What are the most prominent accomplishments achieved in this vital sphere?

[Answer] The year 1983 witnessed an organized and large-scale movement. The necessary steps were taken to supply products to the various importing circles with which we had concluded contracts. The objectives of the export plan concerning these commodities were implemented efficiently and capably. Rather, we recorded a big increase and achieved, for example, a growth of 201 percent in the value of our phosphate fertilizers for the year in comparison with the plan's targeted exports even though Iraq has entered world markets with this product for the first time.

Insofar as sulfur fertilizer, which we started exporting in 1983, the exports exceeded by 303 percent the planned target. We have also achieved a degree of success in exporting our products to numerous foreign markets. This embodies the first step in entering the export world with confidence.

1984 Plan

[Question] In light of the successes achieved, what are the most important indicators of the 1984 plan for industry and minerals?

[Answer] It can be said that the 1984 plan is characterized by comprehensiveness and by a high degree of interconnection between its objectives and indicators. It covers the various aspects of production and service activity within the framework of the established priorities. The task of raising the level of production and productivity, of developing production and productivity at high rates and of improving the quality-control activities in all our installations holds the main place in this plan.

The ministry's special plan goes beyond this to deal with the research and development of several important issues within the framework of the following instructions:

Development of the industrial products in the mechanical, electrical, metal and chemical industries.

Rationalized use of the machinery and materials and re-utilization of the waste materials.

Establishment of the regulations for control over the operations and reduction of the phenomenon of corrosion to the minimum limit possible.

In view of the importance characterizing the training and development activities designed to train and re-train the working cadres, the ministry approved at an early time its new plan in this sphere according to principles that seek to develop the skills of the service and auxiliary labor and to transform it into direct (skilled) labor through training courses given on mechanical and electrical maintenance, welding, plumbing and so forth, with a targeted rate of development of 45 percent in the number of courses and of 38 percent in the number of participants in comparison with the 1983 plan. The plan establishes the need to organize 1,375 courses from which 10,000 trainees are to benefit.

8494

CSO: 4404/506

GOVERNMENT SPENDING POLICY CRITICIZED

Kuwait AL-TALI'AH in Arabic No 844, 30 May 84 pp 9-10

/Article: "How Rationalization Turned into Squandering When Interests of Minority Were Hit"

/Text/ For nearly 3 years, the government has adopted a new slogan within the framework of its spending propaganda, namely the slogan of rationalizing the spending after going through the policy of chaotic governmental spending which it had followed in the wake of the oil price increases of 1973 and 1977. The practical truth of this slogan is closer to a curtailing or limiting of the chaotic governmental spending than to rationalization in the proper sense of the word.

This slogan has been accompanied by a number of measures including, for example, the imposition of new construction regulations, such as the use of electrical insulation and the ceiling set for the use of electricity in cooling buildings, increased prices for all kinds of fuels, elimination of the provision of clothing and meals for government schools and the freezing of new hiring in the government sector, in addition to draft government measures calling for the gradual increase of electricity prices for the consuming units, increased for some curative healthcare services and other measures.

At the educational level, we find that the rationalization measures are evident in the failure to approve a number of budgets for the construction of new schools. This failure creates fearful overcrowding in the classrooms and in schools generally and makes the number of classrooms or schools incompatible with the number of students living in the school area or in the adjacent areas.

The prevalent and obvious observation regarding this tendency is that the monies spent for the major sector of the population are reduced. While adopting this rationalization policy, we find that the government has been generous in spending monies on stock speculation when there are clear and frank laws capable of stopping such speculation. The government has engaged in this practice through its establishments and companies which it has the power and the ability to stop.

The matter of speculation has not been confined to the financial companies. Even the industrial and service companies have found themselves free to engage

in speculation after the suspension of laws banning speculation in stocks and real estate. As a result of the liquidity and financial capabilities they have, these companies have found their power in the stock and real estate markets and have boosted the intense speculation to the level we experienced at the end of 1981.

At the time, when all those dealing in speculation had expected catastrophe to befall and expected a rock to fall, thus causing the crisis to overflow, the most prominent government officials were expecting, through the observation method, the spirit to return anew to speculation in the stock market.

With the onset of the crisis at a time when the optimists were preaching the return of the spirit, the government issued legislation conflicting totally with the policy it had been pursuing throughout the preceding 3 years, namely, the abovementioned policy of rationalization. The government issued its laws of 1982 and then amended them with Law No 100 of 1983 when it found out that the people with interest would be hurt by the previous laws it had issued.

With the lack of information available to the National Assembly on the one hand and with the presence in the assembly of a number of members affected by the market, the abovementioned laws were issued and implemented under the pretext of dealing with the crisis.

The government had a certain political tendency at the outset of the crisis. It prohibited litigation before the public prosecutor in accordance with the laws in force--it prohibited such litigation prior to and after the issuance of the 1982-83 laws for fear of the reaction of those dealing in the stock market if the executive authority were to appear as the party obstructing the laws. The government also included in its law a special provision for small investors, namely, those with financial transactions in stocks not exceeding 2 million dinars, and set up a joint fund for the companies to implement the payment decisions issued by the debtors' arbitration council so that the government might later on replace the debtors when the small investors were paid their monies. Thus, the small investors turned to the Compensation Company to get their monies. The budgets of those that referred to the Clearing Company, published in the OFFICIAL GAZETTE and in the newspapers in almost daily succession, began to appear and the value of the bankrupt dinar was becoming clear, ranging from 250 fils per dinar for some people to 400 fils per dinar for others. Here, we would like to cite some examples of the bankrupt dinar. The assets of bankrupt speculator No 1 are 13 dinars and the value of his dinar in this case is 0.0003 dinar, i.e., the value of his dinar in this case is less than 1 fils. The sum paid to the small investors amounts to 32,538 dinars shown in the column designated for the beneficiaries of the fund. The sum recouped according to the value of this speculator's dinar is 12.972 dinars. This is the sum which the fund will recoup from this bankrupt speculator.

As for bankrupt speculator No 2, the value of his assets amounts to 8 dinars and the value of the sum demanded of him amounts to 140,879 dinars. This means that the value of his dinar is 0.0005 dinars. The sum paid to the fund beneficiaries is 88,002 dinars whereas the sum which the fund will recoup from the bankrupt speculator is just 5 dinars! As for bankrupt speculator No 3, the

value of his assets is nil, meaning that the value of his dinar is nil. It seems that this bankrupt speculator has at least relieved the government of the burden of calculating the value of his dinar. The sum paid to the small investors benefiting from the fund is 38,218 dinars whereas the sum which the fund will recoup from the speculator is nil. In fact, it is impossible to cite the budgets of all the bankrupt speculators, named in legal terms as "those referred to the establishment," because they number in the hundreds, because the value of their dinars varies and the value of the sums paid by the fund in accordance with the decisions made by the arbitration council and the value of the sums that the fund will recoup according to the value of the dinar also vary. Of course, we will find that these sums amount to millions of millions of dinars. These monies have not been spent in a way altogether far from the imaginary policy of rationalization whose slogan is raised by the executive authority. The spending of these monies is in extreme conflict with the need to meet the citizen's basic needs quickly and soundly. In contrast to these millions that have been spent, we find that the number of people applying for housing is rising constantly and that the applications are accumulating at the Ministry of Housing admit an executive policy that indicates that this problem will intensify fearfully. Whereas the applications were estimated a few years ago at 22,000 applications, they have now reached 27,000 applications awaiting the slow fulfillment of the demand for housing.

There is a government view and there are statements by some people which consider providing the citizen with housing some sort of luxury or pampering, whereas the entire process is no more than advancing interest-free loans whose recovery from the citizen begins 3 years after the loan is advanced and which stay with him for as long as he lives. The loans are recovered with the full-value dinar and not with the dinar of the bankrupt.

This duality in implementing the government policy through rationalized spending for the needy majority and wasteful spending for the monied minority has become obvious in its dealing with the securities crisis, both in terms of the speed with which the government issued, implemented and followed up the laws concerning the crisis and in terms of the astronomical sums of money spent to bolster this policy--the policy of spending on the monied minority. This is in addition to the money allocated for the "impoverished" who can, depending on their stocks and real estate assets, borrow according to their collateral from the state through the funds allocated by the state for its financial companies--funds amounting to millions of millions of dinars.

8494

CSO: 4404/496

LACK OF OPPOSITION, POLITICAL CONTROL IN CURRENT ASSEMBLY UNDERSCORED

Kuwait AL-TALI'AH in Arabic No 845, 6 Jun 84 p 9

/Article by Dr Ahmad al-Baghdadi: "Role of Political Opposition in Current Assembly"

/Text/ Within months, the term of the current National Assembly will end and the people will begin to bring to account their deputies and other candidates in preparation for the assembly that will meet in 1985. This preparation includes the process of evaluating, free from political oneupmanship, the current assembly, with the aim of reaching the real political value of this assembly through its positive and negative points.

Let us first ask ourselves: What makes an assembly in any part of the world a strong assembly? What we mean by strength is the effectiveness of the role exercised by the assembly as an instrument of political control over the executive authority. Some may believe that this issue is a foregone conclusion because if the matter were confined to the extent of the effectiveness of the National Assembly's control role, we would be content with statements made recently by the assembly's deputy speaker on the assembly's weak role in controlling the executive and on the inability of its members to exercise their popular power to curtail the executive authority's domination in making political decisions.

The big question that imposes itself is: Why are the deputies unable to use their power as representatives of the people, who are the source of sovereignty, when confronting the executive authority?

The attempt to answer this question requires us to compare the various national assemblies of Kuwaiti society's democratic experience to determine the strength of each assembly independently. It is well known that the country's parliamentary assemblies are the assemblies of 1963, 1967, 1971, 1975 and the current assembly. The fair observer must discard the second assembly of 1967 because it came against the popular will and because its election was marred by governmental practices which true democratic systems disdain.

The unthinkable occurred in the first assembly of 1963 in terms of a confrontation with the executive authority over formation of the cabinet, in the subsequent dissolution of that cabinet, in dropping the oil royalties agreement

and other agreements and in the prevalent opposition to the measures which the executive authority was able to get from the assembly and which were aimed at curtailing democracy.

As for the second assembly, known as the rigged assembly, we need not talk about it. It suffices to say that the results of the elections for that assembly are not yet known. It was an assembly that did not grace Kuwait or its people. Moreover, it was not comfortable politically because even though the assembly of 1967 was submissive to the government, it had no "flavor," a flavor which the first assembly did have. What we mean by this "flavor" is the presence of a real and effective opposition in the assembly.

Then came the third assembly of 1971 and the opposition was able to achieve great accomplishments, such as establishment of the Constitutional Court, the abolition of Art 35 of the press law, the dropping of the oil partnership agreement and other accomplishments such as the question sessions for the ministers. The executive authority saw this political growth of the opposition's role and feared that this effective spirit would spread to the popular level. Thus, the executive authority dissolved the parliament and suspended a number of constitutional provisions from 1976 to 1981 when general elections were held and the current assembly came into existence. This assembly differs from the 1967 assembly only in that there was no forgery in the election of its members, even though there is great doubt regarding the legitimacy of its creation in accordance with an election law that did not get the assembly's ratification and that came into existence by the independent will of the executive authority, thus losing its legitimacy.

What undemocratic actions have taken place in this assembly? A secret session to pass the gatherings law; the executive authority's approval of secret sessions, which violate the principles of democracy; the members' inability to confront the executive authority on issues pertaining to the al-Manakh /stock market/ crisis and other issues in which the law was violated in broad daylight; the assembly's inability to abolish Art 35/35 of the printed materials law and its willingness to be content with suspending this article, which is unconstitutional; the quick approval and absence of opposition to the various budgets despite the presence of official reports indicating numerous financial violations by the state and its institutions and ministries; the assembly's weakness in bringing the executive authority to account for administrative laxity; wasteful public spending under the canopy of the financial deficit and the spread of forgery and graft in more than one ministry. Were such things to happen in another country, the cabinet would be forced to resign. All these things have happened and will continue to happen for a simple reason, namely the absence of the real opposition which existed in the previous assemblies, excluding the illegal assembly of 1967.

When the current assembly initiated its activities after it had become evident from the outcome of the elections that the national elements representing the opposition had lost for numerous reasons for which this is not the place to discuss--when the current assembly initiated its activities, there was a lot of talk about the so-called religious opposition which could prove its presence as an alternative to the opposition known by the people. Regrettably, we find

so far that those who believe in this opposition do so out of obstinacy and of blind support for the factions that belong to the religious currents.

Has the "religious opposition" proven its presence in the assembly? Reality refutes this claim. The religious factions have been able to impose their viewpoint on issues that have no national weight. On the other hand, this opposition has failed to confront the executive authority despite the numerous faulty practices by this authority--practices which the opposition could have clung to and exploited effectively. The religious factions were able to prevent dancing in the schools or in school ceremonies and the executive authority came forward to give the public last year's celebrations. The hotels were banned from giving New Year's parties and so the hotels gave the parties on the night of 30 December. The religious factions demanded the amendment of Art 2 at a time when the National Assembly approved the 25-percent (usurious) interest for capital in al-Manakh crisis. The assembly has been able to separate male and female students at the university cafeteria but has failed to do so in hotels and in the projects of the Kuwaiti Tourism Company.

If we wanted to cite more examples of the superficial thinking of the religious factions, which have come to believe that they will be the alternative to the real opposition, we would write volumes. But we will be content with what we have cited to show that the practical reality has proven that the alleged "religious opposition" is no more than a zero under any circumstances.

Any democracy at any time and in any place is meaningless unless there is a sincere and effective opposition. This is what has not been achieved in the current assembly. Therefore, it is not surprising that we have declined politically, economically and socially.

8494

CSO: 4404/496

FOREIGN MINISTER DISCUSSES EFFORTS TO END OIL TANKER ATTACKS, GULF WAR

Kuwait AL-HAWADITH in Arabic No 1441, 15 Jun 84 pp 26-27

[Interview With Shaykh Sabah al-Ahmad, minister of foreign affairs, by Raghidah Dirgham: "We Have Not Thought of Revenge But We Are in Race To Defend Ourselves"; date and place not specified]

[Text] New York--The Gulf Cooperation Council member states exerted their weight at the U N Security Council 2 weeks ago to separate the issue of the attacks on their oil tankers from the Iraq-Iran conflict and they achieved what they had sought after employing their efforts at the highest levels, thus committing the Security Council members, especially the major powers, to deal with their problem separately so that this commitment may be tantamount to a strong background for the requirements of repelling the attacks on the Gulf ships.

Moreover, informed sources have asserted that the Gulf states sought in behind-the-scene efforts to find new formulas to stir the U N Security Council to move on the Iraq-Iran war.

On the other hand, the Gulf states are working silently and without the accompaniment of the media to secure an outlet for Iraq to export its oil so that they may contain the causes of Iraq's strikes against the Iranian oil installations and, consequently, to eliminate Iran's pretext for attacking the Gulf ships. An informed Gulf source has asserted that the means being arranged now call for extending new oil pipelines through Jordan to al-'Aqabah and other pipelines passing through Saudi territories. U.S. officials have confirmed that Bechtel Company has asked for assistance from the Export and Import Bank to extend a pipeline to Jordan, considering that the project costs \$1 billion.

AL-HAWADITH has conducted the following interview with Shaykh Sabah al-Ahmad al-Jabir al-Sabah, the Kuwaiti deputy prime minister and minister of foreign affairs:

[Question] The Iraq-Iran war has been separated from the issue of the attacks on the oil tankers. This is what you had sought. What will this separation achieve?

[Answer] First; we are not participants in the war even though there may be linkage between our problem and the Iraq-Iran war. This is why we have separated the two issues. Our issue pertains to aggression against states that are not a party to the Iran-Iraq conflict.

[Question] But the separation has led to complaints by both sides, the Iranians and the Iraqis, and each side has its reasons. Let us take Iraq, for example.

[Answer] It is my belief that there is not as much complaint as there is support by Iraq.

[Question] The Iraqi statements have said that the war with Iran cannot be separated from the attacks on the oil tankers.

[Answer] Both Iraq and Iran are in a state of war. But we are not and this is why the strikes against the oil tankers in international or in regional waters are considered aggression against the sovereignty of states that are not a party to the conflict.

[Question] Your position on separating the two issues enjoys strong support in the Security Council, i.e. the support of the major powers and of most of the nonaligned countries. What developments do you expect this support to produce, especially since Iran has rejected the resolution and, consequently, rejected separation of the two issues?

[Answer] I believe that the support makes us feel the respect of world opinion, embodied in the member states of the Security Council. What we want from these countries is to listen to the voice of right. We are states that are not involved in the war such that our tankers may be hit. Attacking tankers is tantamount to striking installations on the ground. Therefore, all we have wanted is to get this international support. It is not important that 2 of the Council's 15 members states have expressed reservations. Each country has its circumstances. We are very happy with the international understanding of our issue.

[Question] You have said that you will deal with other countries on the basis of their positions toward your issue. What do you mean by this?

[Answer] This is not a threat. But all countries have to evaluate their policy on the basis of the positions of other countries toward them. This is normal and not deplorable among countries.

[Question] The Soviet position has been strongly supportive of your issue.

[Answer] And there is appreciation for the Soviets from all the [Gulf] states.

[Question] There is an impression that the relations between the Soviet Union and the Gulf Cooperation Council member states have improved. Is this impression correct?

[Answer] I will not say that it is right or wrong. However, this Soviet position will bring the Soviet Union closer to being accepted by some of the Gulf Cooperation Council member states.

[Question] Let me return with you to the issue of the war on the oil tankers. Let us talk about the possibility of containing the causes of the oil war. The pretext to which the Iranians cling is that their oil is subjected to threats because of Iraq's strikes against their oil installations and that, consequently, they are retaliating. Are there endeavors to contain the Iranian pretext itself?

[Answer] There is resolution 540 which tells the warring states that they must not strike each other's installations. This gives both the right to export their oil. But regrettably, Iran has rejected this resolution. It has no right to retaliate against states that are not a party to the Iraq-Iran conflict.

[Question] Do you think that Iran has the right to defend its interests, both economic and oil interests? Consequently, is there a way to influence Iraq to stop striking the Iranian oil installation?

[Answer] Does the way lie in Iran taking revenge on states that are not a party to the war?

[Question] I am not trying to link revenge with the defense of interests. I am trying to touch on the bases of the causes for the outbreak of the oil war.

[Answer] I wish you would not link our issue with that issue. However, I hope that there will be a comprehensive solution that gives both sides the right to export their oil and guarantees free navigation. At the same time, I hope that there will be a solution to this destructive war that has gone on for nearly 4 years. What will make us happy is a speedy attainment of this solution.

[Question] You have exerted efforts and you, Mr Minister, have personally been a pioneer in these efforts to bring Syria and Iraq closer to each other in an attempt to reopen the Iraqi oil pipeline extending via the Syrian territories.

[Answer] We have actually tried and we are still trying and I hope that we will succeed in this issue.

[Question] Where have the projects seeking to secure the exportation of Iraqi oil through new pipelines passing via Saudi and Jordanian territories reached?

[Answer] There are no projects. There are contacts and the contacts are between a number of Arab countries, Syria and Iraq and are aimed at ending the disagreement and estrangement between the two countries. I hope that we will succeed. The disagreement is not a simple one and the circumstances must dictate to both sides that they end their disputes and replace estrangement by tranquillity.

[Question] Do you believe that if the opportunity were secured for Iraq to export its oil, then it would not be compelled to continue harassing Iran economically and that, consequently, Iran may stop taking revenge on oil tankers heading to and from the Gulf states?

[Answer] Before we say "if," we say let the war stop and let there be cooperation between all the states located on both sides of the Gulf, be they Arab or Iranian. We would like to say that continued strikes against oil will only intensify the war. No interest would be achieved by either side unless the war stops.

[Question] You hope, of course. But do you expect an end to be put to this war?

[Answer] Everyone hopes. As for expectation, my expectations are my hope that the war will not continue, especially since there is movement at the international level to find a formula to put an end to this war. You will, of course, ask me: What are these formulas? I will only say that this issue has been discussed with the permanent Security Council members and that consideration is being given now to doing something. The issue is now up to the Security Council and its movement and up to the importance of this war to the Council members.

[Question] So we should expect the Security Council to launch new movement on the Iraq-Iran war?

[Answer] This is my belief.

[Question] Are there any signs that Iran is now prepared to cooperate with the Security Council?

[Answer] We hope Iran is ready for negotiation and tolerance. The other brothers have expressed their readiness to do all that has been asked of them, whether at the international level or the regional level. I wish, rather I hope, that Iran will have the same feeling so that the endeavor to solve this problem will be a comprehensive one.

[Question] Do you agree with the theory saying that it is necessary to pressure both the Iraqi and the Iranian sides?

[Answer] How can I influence them if they do not listen. One side has not listened. Iraq has set no conditions. It was asked to stop the war and it has agreed. But there are Iranian conditions that are difficult for Iraq or for any other country to accept--conditions which include replacing the regime in this country. This is unacceptable because it undermines the sovereignty of every country. If there has to be a change, it must come through the people.

[Question] The Gulf position, which did not rush to accept the U.S. offers of advancing direct aid, has been received with satisfaction and praise. Do

you share the opinion saying that the Americans have sought and continue to seek to obtain military facilities and bases from the Gulf states?

[Answer] In any case, we have not been awaiting praise from other countries as much as we have been eager to implement our policy of not accepting intervention and of not offering facilities to any country, be it eastern or western. However, this does not preclude our seeking the help of these countries to purchase weapons from all sides. This is one of our rights. It is the right of sovereignty to purchase any weapon we need to defend ourselves.

[Question] Washington circles have said that they encourage expanding the map of weapon sellers to include the West Europeans. This position came in light of what had been said regarding your request for Stinger missiles. What is your opinion of this U.S. statement and why don't you ask the Europeans [for weapons]?

[Answer] I have not heard of this personally or officially. It is possible that the United States takes this position. However, I have not been notified of this [position] officially. We have not purchased weapons from the United States alone. We also purchase them from the French, the British, the Soviets and from every country.

[Question] Will this summer be the summer of the arms race in the area?

[Answer] I do not believe that the situation will reach this point, considering that each country is entitled to defend itself as much as it can. This is why I do not call it an arms race. It is a race for self-defense only.

[Question] Can you exclude the possibility of calling on the United States to help directly?

[Answer] I find this unlikely.

[Question] What about the possibility of the Gulf states being compelled to provide the facilities which the United States is seeking in case conditions intensify and deteriorate?

[Answer] What facilities?

[Question] U.S. officials have said that their helping the Gulf states directly requires the permission to use some bases.

[Answer] It is my belief that they do not need to use bases as long as their ships are present in the Arabian Sea, meaning that their aircraft carriers and their war ships are bases for the Americans in the area. All these statements are made so there might be confusion and a kind of scheming against the Gulf states. The United States and the Soviet Union have interests in obtaining military facilities. But this does not mean that pressure is being put on the Gulf states to agree to facilities for the Americans.

[Question] Is the military coordination existing between the Gulf Cooperation Council member states capable of containing the developments if matters intensify even further than they are now?

[Answer] I believe that we are capable. The coordination exists and will continue.

[Question] You have said that you will defend yourself through joint coordination. Are you prepared to take revenge on Iran inside its territories if it continues to strike against your interests and if it hits your territories or is the self-defense confined to confronting the Iranians in the air only?

[Answer] We have never thought of taking revenge on anybody. We have said that we will defend ourselves if attacked. We hate war and we do not plan to declare war on anybody. All we ask the others is to stop attacking us.

[Question] As a man knowledgeable in the area, its peoples and regimes, what is your view of Iran: the present-day Iran and the future Iran?

[Answer] I do not wish to get involved in this issue because each country is entitled to determine its policy. Therefore, Iran must have its policy and this policy must not be interfered with, regardless of whether it is a current policy or a future policy.

[Question] Do you think that the regime in Iran is still trying to export its revolution to neighboring countries?

[Answer] I regret this. We wish such a thing was not present in Iran. But when one hears the statements transmitted from Iran in Friday sermons and the statements made by Iranian officials, one discovers that they still have this thinking, i.e. exporting the revolution to the outside world. I believe that it is not in Iran's interest to do so because it will be more an enemy of the peoples than of the governments.

[Question] It is said that by rejecting the U.S. aid, you have denied Iran the possibility of using the U.S. cooperation with the Gulf states as a pretext to incite the area's peoples against their rulers, especially since Iran claims that it is not with the east nor with the west and that it belongs to the area. Do you agree that you have deprived Iran of this pretext?

[Answer] We have not been concerned with this issue. What has happened embodies our policy and we will persist in this policy. The issue is not one of preventing Iran persuading it not to attack us. This is our policy.

[Question] The Gulf states say that the situation is dangerous. But at the same time, the seriousness of the situation is being taken somewhat lightly, especially by the western countries. What is the reason for this disparity?

[Answer] Does anybody believe that the matter is not serious? Twenty-three percent of the [world's] oil comes from the Gulf. What will the fate of the industrial countries and the European countries be if their oil supplies are cut off? Isn't this a serious issue?

[Question] What will you do now if Iran persists in attacking oil tankers in the Gulf waters?

[Answer] First, we will protect our ships, and this is one of our rights. At the same time, we must not forget that the Gulf is an international gulf, and herein lies the danger. If Iran tries to block the Straits of Hormuz, then it will provide the opportunity for the presence of the pretext for others to intervene.

[Question] It has been said in Washington that the Americans will not leave their ships in the area without a military cover. Is this their right or is it likely to intensify matters?

[Answer] I hope that we will not reach this point, i.e. the point where every tanker reaching our ports is accompanied by a military ship. If this has to be, then let it be in the middle of the Gulf. But we will not accept such a thing in our territorial waters and we are prepared to protect these ships.

8494

CSO: 4404/528

IRANIAN THREATS, SECURITY SITUATION DISCUSSED

London AL-MAJALLAH in Arabic No 227, 16-22 Jun 84 p 10

[Article: "Kuwait Between Gas Pipe Explosions and Supersonic Aircraft"]

[Text] Even though life goes on normally in Kuwait in the wake of the escalation of the Iraq-Iran war to reach Kuwaiti naval targets in the Gulf waters, this escalation is causing the Kuwaiti man-in-the-street some concern.

When the sounds of some explosions were heard clearly at noon last Thursday, the government rushed to issue immediately an official clarification asserting that the sounds heard from time to time were the result of penetration of the sound barrier by fighter planes during their sorties on routine missions, according to Shaykh Salim al-Sabah, the Kuwaiti minister of defense, who was careful to deny the circulated rumors about a dogfight between Kuwaiti aircraft and unidentified aircraft.

On the same day, Kuwaiti and Gulf financial circles were holding constant contacts to be reassured as to the causes of the explosions after rumors had spread in Bahrain to the effect that Kuwait was subjected to an air attack. Souls calmed down quickly after the official statement issued by the minister of defense and after other circles reported that the north winds to which Kuwait is exposed at times are capable of carrying such sounds clearly. Moreover, nothing material happened to indicate the occurrence of such an attack. The concern that developed the Thursday before last was perhaps connected with a statement made by Shaykh Nawwaf al-Ahmad, the Kuwaiti minister of the interior, on the same day to a Kuwaiti newspaper saying that four Iranians had been arrested while in the act of preparing to plant explosives in a number of areas which the minister did not reveal. Besides, the daily threats made by Iranian officials against Kuwait and the other Arab Gulf states are likely to nurture this concern that has put Kuwait in a state of maximum alert to repel any attack that may be committed against its territories, considering that a state of emergency has been declared in the army and in the air force. Despite this, Kuwait has not experienced the search campaigns usually conducted in such situations. It seems that interest is focused mainly on protecting Kuwait and its air space from any likely attack now that war conditions have become complex. Officials do not conceal the possibility of anything happening at any time.

These officials reiterate a popular Kuwaiti proverb which says: "He who lives next to a blacksmith will inevitably catch his sparks."

Guard on Kuwaiti public installations has been strengthened and barricades have been set up in front of government offices of a vital nature. Moreover, a number of streets in al-Shuwaykh area and in the areas adjacent to the main al-Shuwaykh Port in Kuwait have been sealed off and the National Guard agency has been reinforced with men and weapons to take part with the army and police forces in guard duty. This was done in the wake of the arrest of the four Iranians who have been charged with forming a sabotage network. Materials and instruments that can be converted into explosives were seized in the possession of the four men. In his statement, Shaykh Nawwaf said that information had become available to the security men on the presence of persons planning to carry out acts of sabotage. Even though the persons accused of [attempted] sabotage had no explosives or bombs in their possession, the materials seized in their possession could, according to Shaykh Nawwaf, be converted into explosive materials. The materials were pipes and gas cylinders and are similar to the materials used in the explosions that took place last December. If we add to this the fact that all four defendants arrested recently carry Iranian citizenship, the incident becomes inseparable from the other incidents which preceded it and from the subsequent Iranian threats to the entire Gulf area. This confirms a previous statement by the Kuwaiti minister of interior on the explosions which took place in Kuwait last December--a statement in which he had said that the quantity and variety of weapons seized and the method in which they had been smuggled indicates that there is a foreign circle behind them and that he does not exclude the possibility that this circle will repeat its attempts.

The latest incident coincided with statements by Ayatollah Khomeyni declaring that he has soldiers in Kuwait. What is worth noting is that the Iranian community in Kuwait occupies the top relative importance [among other communities], not only in terms of numbers but also in terms of the presence of a large number of Iranian nationals who work in Kuwait, in addition to extending the commitment to what Ayatollah Khomeyni represents within Kuwaiti society.

Even though what was announced about the latest incident was limited and engulfed in complete confidentiality, it has come amidst circulated rumors about threats to plant explosives in the important installations if the death sentence is carried out against those who perpetrated the explosions last December and if they are not released.

The fact is that it is not yet known whether the [death] sentences have been ratified or not. An informed legal source has said that the normal procedures in this regard call for the state security prosecution to submit the bill of indictment and the text of the court sentence to the minister of justice, who then prepares a memorandum which he presents to the Council of Ministers. The Council of Ministers discusses the memorandum and then refers it to the amir's office to present it to the country's amir to either ratify it or return it to the minister of justice.

Since the sentences were issued, the Iranian threats have been coming constantly, once in the form of an ultimatum against handing over to Iraq any of the Iraqi nationals arrested in the wake of the explosions and another time in the form of a threat of military operations against Kuwaiti interests in the Gulf area. It is well known that of the 25 persons who took part directly in smuggling the weapons and planting the explosives, 18 are of Iraqi origin and all are members of al-Da'wah Party, which is headquartered in Iran. This is in addition to the constant threats that reach Kuwait via the Voice of the Islamic Revolution--threats recorded by a number of official publications issued by the Kuwaiti Ministry of Information--in response to what this broadcasting station calls the eviction of hundreds of people, the deportation of Muslim nationals and denying them the freedom to choose the country in which to live. In comment, a Kuwaiti source has said: Kuwait is now paying the price of its positions.

Regardless of who is punishing Kuwait, it is certain that punishment is being now meted out, either for firm positions or, from Iran's viewpoint, for Kuwait's support to Iraq and with the aim of putting pressure on Kuwait to withhold its support.

8494

CSO: 4404/528

SOVIET ENERGY DELEGATION VISITS COUNTRY, INSPECTS POWER PLANTS

Arrive in Isfahan

Tehran KAYHAN INTERNATIONAL in English 26 Jun 84 p 2

[Text]

ISFAHAN, June 25 (IRNA) — The Soviet Deputy Power and Electricity Minister Alexey Makhuhin and his delegation arrived in Isfahan today.

The Soviet official and his companions were welcomed by the local authorities and consulate general of the

Soviet Union there.

The delegation is due to visit the under construction 800-megawatt power station of Martyr Mohammad Montazeri.

The two sides would discuss further speeding up of the project.

The Soviet delegation arrived in Tehran on June 21.

Inspect Ramin Power Plant

Tehran KAYHAN INTERNATIONAL in English 28 Jun 84 p 2

[Text]

AHVAZ, June 27 (IRNA) — The head of the Soviet Union's Organization for the Construction of Power Plants abroad and other high ranking Soviet energy officials inspected the Ramin Power Plant here Tuesday.

The official studied the continuation of work by the Soviet experts there.

During the inspection he said he was optimistic on the future work of the plant. But, he said, mainly technical and financial problems had to be worked out with the Iranian officials in order to pave the

way for further cooperation for the completion of the plant.

Only one 315 mw unit of the four-unit plant is currently operating. The second is undergoing repair, the construction of the third is 90 percent complete and the fourth is 40 percent complete with Iranian experts playing a major part in its construction. The Soviet energy officials are members of the delegation headed by Deputy Power and Electricity Minister Alexey Makhuhin, who arrived here on June 21.

Delegation Concludes Visit

Tehran KAYHAN INTERNATIONAL in English 2 Jul 84 p 2

[Text]

TEHRAN, June 29 (IRNA) — A Soviet delegation headed by Deputy Minister of Power and Electricity, Alexy Makhuhin, left Tehran Thursday at the end of an eight-day visit here. During the stay a letter of understanding was signed by the Soviet official and Iranian Energy Ministry's Deputies Ranjbar and Pishva'i. According to the letter the Soviet Union will collaborate with Iran for the construction of Ramin Power Plant in Ahvaz and Shahid Mohammad Montazeri Power Plant of Isfahan.

The Soviet Union will also collaborate in the construction of two dams, Qez-Qal'Ehssi and Khoda-Afarin, over the Arass River forming a part of the Iran-Soviet border in the north of Iran.

During his stay in Iran the Soviet official met and held talks with various Iranian officials including Energy Minister Hassan Ghafuri-Fard, and officials of Tavanir (power generation and distribution company of Iran).

CSO: 4600/648

BRIEFS

RAILWAY FACTORY BECOMES OPERATIONAL--Ahvaz, (IRNA)--The first factory producing concrete crossties to be used in building railways started operation in Andimeshk, Khuzestan Province, in a special ceremony here yesterday. The factory which was inaugurated by the Minister of Roads and Transport Mohammad Hadi Nejad-Husseinian, will produce 600 crossties daily and its capacity will be increased up to 2,500 daily. Nejad-Husseinian thanked experts who have worked on the project and completed it. On the progress made in the field of transportation he said that in the past year alone (ended last March) 4.2 million passengers travelled by railways. He added that the railways had registered a record on shipment of goods during this year as well. Two other similar factories are to be built in the country in a near future. [Text] [Tehran TEHRAN TIMES in English 4 Jul 84 p 1]

INTEREST-FREE BANKING DEPOSITS INCREASED--Tehran, (IRNA)--The volume of people's deposits in interest-free banking system rose by 29.2 percent in the second month since the implementation of the Islamic banking system in the Islamic republic, compared to the first month. The deputy governor of Bank Markazi (Central Bank) Mohammad Javad Vahaji told IRNA that contracts the banks signed with investors reached more than 105 billion Rials (dlrs. 1.2b) in the first two months of this year. He said this was a considerable increase compared to the period before the implementation of the new banking system on March 21st. Vahaji added that since most of the banking facilities were provided for agricultural and industrial production, they would have positive effect on the country's Gross National Produce (GNP) [Text] [Tehran TEHRAN TIMES in English 5 Jul 84 p 2]

ARMENIAN ARCHDEACON BLASTS FOREIGN MEDIA--Tehran, June 25 (IRNA)--Armenian Archdeacon Ardak Manukian in a statement issued here today condemned the malicious analysis of foreign press media with regards to the educational issues of the Armenians in Iran. The statement in part noted that the Armenians of Iran have been standing side by side their Muslim brothers since the initial stages of the Islamic Revolution as well as during the Iraqi imposed war. It said that Iranian Armenians have spared no effort in helping in whatever way they could. Armenian educational issues in Iran, the statement said, was totally a domestic issue and attempts by imperialist news media to use this as a pretext to discredit the Islamic Republic of Iran was rejected. [Text] [Tehran KAYHAN INTERNATIONAL in English 26 Jun 84 p 2]

WAR DAMAGE ESTIMATES--Tehran (IRNA)--The damage inflicted on the Islamic Republic by the Iraqi war up to the Iranian year 1361 (ended March 20, 1983) has been estimated at dlr. 163,696,075,000, according to a report published here Saturday. The daily Ettela'at reported that the Plan and Budget Organization's Special Committee on estimating the damage for the Iraqi imposed war had completed its report up to the end of 1361. The brief report said damage incurred by the oil industry sector was about dlr. 53.7 billion, agriculture dlr. 40.7 billion, industry dlr. 8.2 billion, energy dlr. 3.7 billion and construction and housing dlr. 2.9 billion. It said "indirect" damage included in the total figure was dlr. 80 billion and the government sector was the most severely effected. War reparations are one of the conditions of the Islamic Republic for ending the war, which Iraq began in September 1980. [Text] [Tehran KAYHAN INTERNATIONAL in English 25 Jun 84 p 2]

SUGAR PRODUCTION INCREASES--Ahvaz, July 2 (IRNA)--Sugar production in Khuzestan Province, south Iran, amounted to 221,650 tons in the cultivation year of 1983-84, representing an increase of 20 percent compared to the previous year. The director general of Khuzestan Sugar Department told IRNA that sugar production was expected to exceed 250,000 tons a year in Khuzestan, some 33 percent of total sugar production of the country. [Text] [Tehran KAYHAN INTERNATIONAL in English 2 Jul 84 p 2]

DEVELOPMENT PROJECTS IN BUSHEHR--Bushehr, July 2 (IRNA)--Since the start of the first five-year development plan, March 84, some 43 villages with a population of over 66,000 in the southern province of Bushehr have been provided with fresh water supplies, said an official of the Environment Sanitation Organization of the province, here today. As part of the first five-year plan, a total of 214 villages are to be supplied with fresh water system. The official said that under the program of the government which attached great importance to development of rural areas as to halt migration of villagers to urban centers, this year 36 development projects with a credit of 500 million rials (\$5.6m) will be completed. [Text] [Tehran KAYHAN INTERNATIONAL in English 2 Jul 84 p 2]


CSO: 4600/648

INTERVIEW WITH BENAZIR BHUTTO

East Burnham ARABIA The Islamic World Review in English Jun 84 pp 24-25

[Text]

Benazir Bhutto, daughter of the largest landholding family in Sind, has inherited the chairmanship of the Pakistan People's Party from her father. As faction-fighting within the PPP intensifies, Aslam Abdullah asked Benazir Bhutto to outline her future economic and foreign policy priorities. Beyond the routine commitments to "the restoration of democracy," she gave few clear indications of her policies for the future. The interview was held in April, in London

 How do you assess the present political situation in Pakistan?

I think that the present times are very difficult and dangerous for the Federation of Pakistan. Whenever there has been martial law in the history of Pakistan, there has been either war or disintegration or both.

The political parties have done their utmost to try and preserve even the myth of a constitutional link, but the military regime has been determined not to permit any kind of constitutional link. Now, political parties, cognisant of the danger,

whether they belong to the left or the right, whether they belong to the religious or the secular forces, all are united for the restoration of the constitution of 1973 and for the holding of elections under the constitution. The only thing left to be violated in this constitution is the electoral process.

If the selection process is imposed upon the people of Pakistan at the point of a bayonet, then it will mean that the constitution is abrogated, and because constitutions bind together a nation it means that the military regime is trying to abrogate the foundation of our nation.

Some political parties, particularly the Jamaat-e-Islami, are making efforts to bring together all the parties to face the regime jointly. What is your view on these efforts?

Jamaat-e-Islami has from the inception of martial law acted as the right hand of martial law. Recently we have been hearing statements that the Jamaat-e-Islami, following the ban on student unions, has moved away from martial law. At the same time, there are conflicting signals coming from the Jamaat-e-Islami camp - on the one hand there is a Lahore group and on the other there is a Karachi group, and the Karachi group appears firmer than the Lahore group with regard to the necessity for democracy.

The Jamaat has stressed that a united front can be found if parties agree to accept the supremacy of Islam, to strive for the restoration of democracy and to show their commitment to the continued jihad in Afghanistan . . .

First of all it is wrong to place any conditions by any side, because as soon as you start placing conditions then obviously there are people who believe that the Jamaat-e-Islami's role has not been very constructive during the last seven years and they will then put counter-conditions. I do not believe that putting forward these sorts of conditions is helpful or conducive to political talks.

What about Afghanistan?

Why is the Jamaat-e-Islami acting as the spokesman of jihad in Afghanistan? It is not a party in Afghanistan or of Afghans. We think that the question of democracy for the people of Pakistan ought to be separated from the question of Afghanistan.

Are you saying that a People's Party government would follow the resolutions of the OIC on Afghanistan?

The question of democracy for the people of Pakistan ought not to be linked with the question of Afghanistan. If there is a government of the people of the country it is going to be a government which is going to look to the national interests of the country. If there are national interests involved, then the government or masses are not going to turn a blind eye.

What is the guarantee that the People's Party government will remain committed to the cause of the Afghan Mujahideen?

The Pakistan People's Party is concerned about one thing, which is the presence of the Afghan refugees on our soil. We feel that they are a strain on our social fabric and that they are destabilising our society, and we would like to see the earliest possible return of the Afghan refugees to their homeland.

Even if you have to negotiate with the Karmal regime and the Soviet Union?

We are not in government at the moment. We do not have access to all that has been taking place. Let me just repeat that we are interested in a political settlement and an early return of the refugees.

You mentioned your party's commitment to the 1973 constitution. But you also said recently that Pakistan was not created for Islam but for Indian Muslims.

That is a wrong interpretation.

This is reported in the press. How do you explain these two positions?

I don't think being a Muslim is contingent upon a state law. Being a Muslim is contingent upon God's law. If one is a Muslim, one is a Muslim because one

believes in the laws of God and believes in the message which the Prophet Muhammad gave to us.

This is the point I was making, because according to the military regime Pakistan has been formed for the induction of Muslim law or Islamic law. If there are no Islamic laws that means Pakistan has ceased to exist. That is not an accurate analysis of the freedom movement, or of the genesis of the causes that led to the creation of Pakistan. If it was a matter of Islamic law, Islamic law was practised by the British for the Muslims. Islamic law is practised by the Hindus in India until today. Pakistan came into being because the Muslims felt that they would be discriminated against.

What then is the role of Islam in Pakistan? Pakistan was not formed for the introduction of Islamic law, because these are state laws and there is a difference between God's laws which are Islamic and Mullah laws which are made state laws.

Do you mean to say that the martial law administration does not follow the 1973 constitution as regards Islamic laws?

In India there were Islamic laws. Muslims did not observe Holi or Diwali. They observed Eid before and after 1947. It was not to bring about what is considered the specific Islamic law that Pakistan was created.

We believe that there is a spiritual world and there is a temporal world. In the spiritual world there is no concept of clergy or Mullahism.

As far as man-made relations in society are concerned, democracy is our policy and socialism is our economy. These are principles which we derive from our Muslim heritage or from our consciousness as being Muslim, because we believe that Islam contains fundamental concepts of liberty and equality. Democracy is the means to liberty and freedom, and socialism provides the scientific means for economic equality.

When you talk about socialism, do you mean scientific socialism?

I talk about Islamic socialism.

What is Islamic socialism?

If you look at Islamic socialism we are adopting the means of socialism, policies to benefit the poor and the oppressed. We are adopting policies which are against the crude monopolisation of wealth.

How helpful are the present postures of Mrs Gandhi's government towards the normalisation of relations with Pakistan and stability in the region?

Whenever there is a martial law regime in Pakistan, there is either war or disintegration or both. The nature of martial law administration is that first they begin to suppress their own people and secure the external borders. But when they fail to suppress their own people, then the concept of an external enemy and danger is pointed out. That often becomes self-fulfilling prophecy.

But you did not speak about Mrs Gandhi's postures.

I speak to you as a Pakistani. We believe that the tried path to peace between India and Pakistan is contained in the step-by-step approach, as outlined in the Simla Agreement. We don't think it is a good idea to bypass that agreement.

So you would revise the Simla Agreement?

We believe that peace between Pakistan and India should be based on the Simla Agreement.

There seems to be a division within the People's Party on the question of regional autonomy. One group, led by Mumtaz Bhutto, calls for more regional autonomy, while the other thinks that the centre should be made stronger. In the past the PPP government has pursued policy for a strong centre - the government policy in Baluchistan in 1973/74 reflects this. What is the guarantee that the Baluchistan massacres will not be repeated in Sind?

There are no differences within the Pakistan People's Party. We have the mechanism for arriving at decisions. When martial law prevents political leaders from meeting, obviously different leaders react in different sentiments within their own areas and constituencies. That is not important.

In the past, when we formed the constitution in 1973, the greater autonomy contained in that constitution

was not just arbitrarily given by the PPP. It was a quantum of autonomy which was agreed upon by all political parties as represented in parliament. In a parliament, the question of autonomy will be looked into by the mandated representatives of the people.

Does that mean that the issue is still open for debate in parliament, and you don't have any specific opinion on this question?

What do you mean? You want me to be tied down. The fight right now is for the resumption of democracy, of the rights of the people of our country. People should first get rid of martial law.

But what happened in 1973/74 when people in Baluchistan asked for regional autonomy? The army was sent. People were killed.

I think that is an incorrect assessment. The whole issue of the revolt in Baluchistan was unfortunate, but it was not something which was confined to the Pakistan People's Party government. Unfortunately, there were certain people who thought that this was the time to break away as an independent state. I do not want to go into the past. Let us say that we both made mistakes and let us say nobody made mistakes.

What new institutional changes do you intend to bring into Pakistan? How are you going to restrict the powers of the civil and military services? What is new that you are offering to Pakistan?

We think that there should be structural changes within the armed forces of Pakistan, because the people cannot be held hostage to an unelected institution for ever. Bureaucracy has aligned itself with martial law completely, and certain structural changes are to be envisaged for keeping the bureaucracy within the field of the service of the people.

What will be the mechanism to restrict their power?

These matters will be looked into, and a decision arrived at in the parliament.

REPORT ON 'LITTLE KABUL' IN ISLAMABAD

Islamabad THE MUSLIM in English 26 Jun 84 p 3

[Article by Anwer Iqbal: "The 'Little Kabul' in Islamabad"]

[Text]

SLOWLY but surely, the Afghans in Islamabad are becoming a part of the social and cultural life of the Capital. Though they are taking interest in all the fields, it is in business that they are really making a mark. Buying properties, opening shops and restaurants, exploring possibilities in the so far 'Pathan dominated transport and selling carpets, jewellery and handicrafts from Kabul.

They appear to have realised that their chances of returning to Afghanistan in the near future are not very bright which is obvious from some of the long-term planning that they seem to be doing. This includes establishing separate schools for their children.

Though they can be seen everywhere, in all the sectors and localities, it is sector G-9, and especially its sub-sector G-9/4, where they have the biggest concentration. How many Afghans are there in that sector no one knows, but some of the permanent residents of that locality claim that the Afghans are 30 per cent of the local population. However, the Afghans say they are not more than a thousand.

Well, whether they are just a thousand, or many thousands as the locals say, they are surely very active people. There are no less than six Afghan schools in that area, one of them secondary and the rest primary schools. Then there are a number of shops, restaurants, general stores, food stalls, etc. owned by the Afghans. Walk down

to the Peshawar More bus stop and you will find scores of Suzuki vans owned and manned by Afghans.

Why did they select this area? It is because it was comparatively less expensive when we came here and private accommodation was easily available without much advance, said Azam Jan who also lives in G-9/4.

Persian is used as the medium of instruction in all the Afghan schools here. These schools have two separate sessions, one for boys and the other for girls. They are supported by the Afghan resistance movement and the foreign missions. All these schools have good teaching staff as they pay handsome salaries to their teachers.

Why teach in Persian? I asked one of the Afghans who is also involved in the running of some of these schools. He said, it was because they did not want their children to forget that they were living here as 'guests' and one day would have to go back to Afghanistan.

This youngman who now has a carpet showroom is from a known business family in Kabul. A graduate from the famous French Schools in Kabul, called the Kabul University before migrating to Pakistan. He can speak both English and French and helps those who do not know the Western languages. He believes that like the Palestinians, the Afghans intended to settle down in Islamabad or anywhere else in Pakistan. Actually they don't have any such intention. If they are doing some small business, it is only to support their families and to raise funds for their movement.

He agreed that in the beginning there was only one Afghan restaurant, his own, in that area and now there are three. Besides, a number of shops, general stores, food stalls and even clinics are owned by the Afghans.

Another Afghan, when asked to comment, said there were three categories of people who had come from Afghanistan: the poor, those from the middle class, and the rich. The poor lived in the camps and their presence was not felt by the locals. The rich, he said, have mostly shifted their bases to Western Europe and the USA. However, those from the middle class were trying to establish themselves in Pakistan. He also claimed that none of the Afghans had any intention of settling down in Pakistan.

So far, we had only talked to shopkeepers, restaurant owners and other small traders. However, it is public transport where their presence is felt more than anywhere else. Entering a trade which was until now considered the domain of the Pathans, the Afghans have come up very quickly.

They started with second-hand Suzuki vans which they purchased from the local transporters and soon they could be seen plying their vehicles between Melody and Peshawar More. Once this experiment succeeded, they showed interest in other vehicles as well and now they also own mini-buses and wagons.

The Afghan drivers and conductors are more educated than the locals and are more polite to the passengers. Most of them are university and college students who had

to leave their education incomplete and take up work to support their families. Izzat Jan, one of the conductors, was studying engineering at Kabul when he had to flee while his brother, who was driving the van, had a shop in a Kabul bazar. They said they were happy

with their present position and did not mind being called a driver or a conductor. They were happy that they were able to support their families this way and did not have to beg.

The idea of begging seems very repulsive to the Afghans. They could be seen doing all kinds of odd jobs right from selling water melons on the footpaths at Itwar and Jumma Bazars to running posh restaurants in places like Jinnah Super Market, but none has ever been seen begging.

The Afghans living here are faced with a number of social problems, the foremost being marriage. There are many families whose male members are either away somewhere in the West or inside Afghanistan fighting the Soviets, as they claim, leaving behind the womenfolk. Most of these families have young girls of marriagable age. It is difficult to find a suitable spouse for them as there are not many young Afghans available.

So what do they do? There is a common belief that they are eagerly looking for good matches for their daughters even among the Pakistanis. But as far as the Afghans living in Islamabad are concerned, this is not true. They still adhere to their customs and traditions and do not give their daughters outside the family. We talked to an old and

a young man and they both were averse to the idea. 'Yes, you are right, they said, 'Pakistanis are also Muslims like us and we have great respect for them but we have our own traditions and we try to maintain them.

They said, they did not know of any Afghan families willing to give their daughters to Pakistanis. There could have been some solitary cases in which an Afghan girl might have married into a Pakistani family but these are exceptions which only prove the rule.

Otherwise, they enjoy good relations with the local population. There was some trouble in the beginning and some ugly incidents were reported but now it seems that the locals and the Afghans are learning to live together in peace.

However, there is one genuine complaint: that the influx of Afghan refugees has caused a sudden rise in the rents. A small portion which could be had for Rs. 500 a month, is now rented out for as much as one thousand rupees.

During this survey this writer happened to meet a very interesting person. His name is Izzatullah and he is from Herat, now living at G-9/4. A relative of the famous Mullah Shorebazar, he is a Peer and has followers in Kabul, Qandhar and Jalalabad. His 'muridi' also include some local Pathans.

A giant of a man, Izzatullah looks like a fighter, which he claims he is. However, he is a musician and an extraordinary one. Izzatullah seems to have a natural talent for music and plays a number of stringed instruments notably 'Rubab. The Afghans refer to him as "our leader".

ZIAUL HAQ INTERVIEWED, DENIES INVOLVEMENT IN SIKH UNREST

New Delhi INDIA TODAY in English 15 Jul 84 pp 68-71

[Text]

IN THE wake of the army's action in the Golden Temple complex in Amritsar and Punjab last month, there were reports in the media hinting at possible Pakistani complicity in the Sikh terrorists' bloody agitation for Khalistan. The Indian insinuations have drawn vehement protests from the Pakistan Government. The resultant exchange of protest notes between New Delhi and Islamabad appeared to stall, even if temporarily, the already slow process of improving relations between the two countries. Last fortnight, in view of the seriousness of the Indian charge, INDIA TODAY approached Pakistan's new Ambassador to India, Dr Mohammed Humayun Khan, with a somewhat unconventional request for a telephonic interview with President Zia-ul-Haq. Dr Khan readily passed on the request to his government. Six hours later, General Mohammed Zia-ul-Haq spoke from his home in Rawalpindi to Senior Editor S. VENKAT NARAYAN in New Delhi. The exclusive telephonic interview, unprecedented in the troubled history of the Indian subcontinent, lasted 40 minutes during which the 60-year-old General answered questions on a variety of subjects with natural courtesy and infinite charm and patience. "I am speaking to you from my heart," he told Narayan. Excerpts:

Q. The weapons that were seized from the Golden Temple in Amritsar and elsewhere in Punjab during the past few weeks bear Pakistani and Chinese markings. Is your government involved in any way in assisting the Sikh extremists in India?

A. After we heard of such allegations from the Indian side, our foreign office issued a very categorical denial. Our foreign minister, while passing through London, was asked this question and he has said that Pakistan has no hand in this; these allegations are false and baseless. Pakistan is a state which does not believe in Machiavellian practices. We have certain norms of inter-state relationship. We would not like anybody to interfere in our internal affairs. Similarly, we have neither tried nor have we thought of interfering in the internal affairs of India. Allegations of Pakistani involvement are wrong, baseless and false.

Q. If your government is not directly involved in helping the Sikhs, could it be that the weapons are coming into Punjab from across the border through smugglers, Afghan Mujahedeen, illegal arms dealers or through any other non-Pakistan government sources?

A. Such a thing should not be possible. We have a large border. All the border is not totally sealed. Just before this incident, the Indians had tried to seal the Pakistan-India borders as effectively as possible. As you are aware, the Border Security Forces were replaced by regular troops. We did not react at all to this because we felt very confident, assured and grateful that the Indian authorities had cared to consult us beforehand. A few months ago, we had detected and hauled up a gang of smugglers, caught in the process of smuggling gold and weapons to Pakistan from India. If this can take place, obviously the converse too can happen. Even in such an eventuality, it is

not possible to smuggle weapons from Pakistan into India in such large quantities and thus enable India to categorically allege that Pakistan is directly or indirectly helping somebody to create disturbance inside India. It is not possible.

Q. *Could it be that over a period of time this has been going on and the extremists have collected a large number of weapons?*

A. It may be possible because these days gun-running between Pakistan and India is as common as anywhere in the world.

Q. *The CIA is suspected to be sending weapons to the Afghan Mujahedeen in Pakistan. Do you think that the CIA may be possibly involved in smuggling any arms into Punjab from Pakistan?*

A. Your assumption that the CIA is involved in arming the Mujahedeen in Pakistan is wrong. If this is correct it is not within my knowledge. If it is not within my knowledge, no weapons can pass to the Afghan Mujahedeen through Pakistani territory. I see no reason why the CIA should be interested in arming somebody in India to create disturbances. Recently, I met Vice-President Bush. He had come to Pakistan after his visit to India. I want to tell you that I have never heard such a categorical statement from anybody so reliable and so highly placed as Mr Bush. He stated to me that it is the United States's firm policy and belief that they want to strengthen India, they want to have very good relationship with India and they are looking forward to a better US-India relationship. I see no reason why, on the one hand, Vice-President Bush tells me this and on the other hand the CIA should be involved in arming the Sikhs. It doesn't go well.

Q. *How serious is the problem of smuggling across the Indo-Pakistan border? Has it ever figured in bilateral talks between the two countries? What are the measures being contemplated to check the smuggling of gold, hashish, weapons and so on?*

A. This problem is fairly serious. Smuggling does take place across the borders. This has been discussed at most of the bilateral meetings. According to an agreement, the two Border Security

Forces are honour-bound and duty-bound to check smuggling. They are allowed to keep contact with each other in order to help in providing necessary information and to ensure that smuggling is checked in time and, if detected, the individuals are apprehended. There is a good coordination between the two Border Security Forces and this point has been discussed at the diplomatic level practically in all the meetings. We have been continuously trying to see that such practices of smuggling across the two borders are at least minimised, if not totally checked.

Q. *Could it be that some disgruntled elements within Pakistan who may not be well disposed towards your government are doing this to cause you embarrassment?*

A. I can assure you that nobody from the Pakistan side could be involved.

Q. *Your government's refusal to comment on the recent developments in Punjab because it is India's internal matter has been appreciated here. But Ganga Singh Dhillon has been claiming close friendship with you, thereby implying that you are actively helping him. What is the nature of your friendship with him? How many times did he meet you? Have any other pro-Khalistan elements like Jagjit Singh Chauhan ever met you? If they did, what did they ask you to do for them and what did you tell them?*

A. (Laughs). I have never met or talked to Mr Chauhan in my life. I have not met Ganga Singh Dhillon for the last two years. I met him initially through a common friend. This was a few years ago. I only met him as a Sikh yatri who had come to visit holy places in this country. Every time he has come as part of a delegation he has met me and on all such occasions the Indian ambassador has also been present. When I was in the United States of America I met him there also. But we never discussed amongst ourselves what Dhillon or the Sikhs should do in India because I believe in principles and I try my best to follow what I speak and to practise what I preach.

Q. *The Pakistan radio and television have lately been putting out stories that appear designed to incite the Sikhs into rebellion. Some of their recent reports, like*

the mutiny in Amritsar, are baseless. Both your radio and TV are controlled by the Government. Don't you think a bit of restraint on their part in a situation like this in a neighbouring country would go a long way in bringing about Indo-Pakistan amity?

A. I keep my eye on both radio and television not because the Government controls them. They are autonomous bodies, but they follow the policies and broad guidelines given by the Government. We have an understanding with India that both the media organisations of India and Pakistan should not do anything contrary to the broad accepted policies of the two governments. Why should Radio Pakistan be going all out to broadcast reports against India?

Q. But there must be some truth in the Indian protest?

A. The other day somebody asked me a question: Will this situation in Punjab and the allegation of India against Pakistan affect Pakistan-India relations? I said no, because Pakistan is on a peace offensive. Pakistan wants to normalise relations with India. I can assure you that Pakistan radio and television are responsible and reliable organisations. They will not broadcast reports which could be misconstrued intentionally or unintentionally.

Q. Some of your missions, in Europe and the United States, are reportedly contacting Sikh radicals in a bid to incite them against the Indian Government.

A. This is also totally wrong, baseless. The Government of Pakistan has decided on a policy of having good neighbourly relations with India irrespective of India's internal problems. How can you expect that the embassies of Pakistan would be following a policy contrary to this? Not possible. I think these are unfounded suspicions, perhaps misguided information sent by exuberant intelligence agencies.

Q. You are yourself a Jalandhar-born Punjabi. What is your own perception of the Punjab agitation?

A. I was born in Jalandhar but I am a very patriotic Pakistani. I am now a Pakistani and I am now a son of the soil. Whatever was there we left it for you to look after and as far as the situation in Punjab is concerned, I am one of those persons who is never happy at some-

body else's trouble. We had gone through some very serious trouble like this internally not only now but even when East Pakistan was a part of us. I see no reason why Pakistan should feel happy about any of India's difficulties. We wish you all the best and I hope that the Indian Government in its own responsible manner will solve its internal problem and will try to bring cohesion among various minorities of India, including the Muslims who are a very large minority.

Q. There are many Indians who sincerely believe in Indo-Pakistan friendship. But they are worried about reports of so-called Pakistani complicity in the trouble in Punjab. What do you propose to do to clear such doubts?

A. I do not think that the Government of India can be that categorical and that sure that Pakistan is involved. Please tell them that Pakistan would never do such an irresponsible thing. Pakistan was never involved in anybody's internal affairs leave alone those of India, a country which is our very close neighbour and with whom we are trying to develop our relations and improve them as much as we can.

Q. Your government has complained to India about training camps for the Al-Zulfikar along the border towns in Punjab. The Indian foreign secretary has already denied this allegation during his last visit to Pakistan. He has invited your foreign secretary to visit any place he wishes to visit in India to check this out. Do you seriously believe that Indians are assisting the Al-Zulfikar group?

A. We had received very categorical information. We checked it and then we brought it to the notice of the Indian Foreign Office. This was discussed by the two foreign secretaries. We felt assured when Mr Rasgotra assured our foreign secretary that there is no such thing. That time onwards we told the Indian foreign secretary that we accept his word. We hope there are no such camps now and that India will make sure that there will be no such camps in future.

Q. Do you fear any threat to your government from members of the Bhutto family?

A. I am a humble believer in Islam and I do not fear anybody. I only have fear of God. I only try to do my best and perform my duties as conscientiously as I can and leave the rest to God.

Q. Miss Benazir Bhutto had said that she will try to foil the elections you propose to hold next year in Pakistan.

A. I heard that one but I don't think any sane or intelligent politician would make such a statement. We will make sure that the elections are held and that they are free and fair.

Q. Will you let Benazir Bhutto into Pakistan if she wishes to return? If you do, will she be punished for her statements abroad?

A. We are not a barbarian society. We claim to be an Islamic state. We don't just hang people without any crime and if somebody makes mistakes there is a course of law which takes them into account. Personal whims do not play any part in Pakistan.

Q. But can she come into Pakistan if she wishes?

A. She is most welcome to come back any time she likes. We didn't force her out of the country. She went on her own accord for her medical treatment. This is her country.

Q. You said some months ago that you are not available to fight the election in Pakistan. Have you changed your mind lately?

A. There is no change as yet. When there is a change I will give you a call myself.

Q. It seems to me that the bitter memories of Partition, the Kashmir dispute and the Bangladesh war continue to torment the Indians as well as the Pakistanis. How much longer do you think it will take us to forget all this and get down to living as friends?

A. It will take as long as you and I and the common man and the responsible persons will take to forget it. The sooner we turn the chapter over and forget the past and start with a fresh page without

apprehensions, the better it will be for both India and Pakistan.

Q. If you were in the shoes of the prime minister of India what are the three most important things that you would do to improve relations with Pakistan?

A. I have no grudge against the efforts of the prime minister of India. I think Mrs Gandhi is doing her best. We appreciate her efforts. We hope that such an effort will continue and will not temporarily be marred by short-sighted compulsions of the forthcoming Indian election. I have nothing to suggest to a very shrewd and experienced politician like Madam Gandhi.

Q. Do you get the feeling that Mrs Gandhi's regime is somewhat cold to you for any reason? Do you think she may have been more cordial to you if you had been an elected president of Pakistan?

A. I never felt it. I never had such an inferiority complex! I have always been grateful to Madam Gandhi for all the respect and understanding that she has given me in spite of the fact that I am not an elected president.

Q. What are your views on South Asian Regional Cooperation (SARC)?

A. I am an ardent supporter of SARC. I am hopeful that SARC will be as good an organisation as the ASEAN (Association of South East Asian Nations).

Q. When are you coming to India next?

A. Any time, India is our neighbour. I have no inhibitions. Whenever there is a suitable time, I would be there. But for the time being we are expecting that either Madam Gandhi or anybody else would find it convenient to visit us in Pakistan as soon as possible.

Q. Have you extended a personal invitation to the Indian prime minister?

A. Yes, she has an invitation from me. Also her son.

NEW MASTER PLAN FOR KARACHI BEING PREPARED

Karachi BUSINESS RECORDER in English 3 Jul 84 p 1

[Text] On the orders of the Sind Governor, Lt Gen Jahan Dad Khan KDA has established a full-fledged cell to prepare the new master plan for Karachi for the period 1985-2000. It may be recalled that Governor had a detailed presentation about problems of Karachi with special reference to the planned growth of the City.

The present master plan for Karachi, which was finalized in 1974 takes care of the development till 1985.

The Governor directed KDA to come out with a new master plan which will be finalized by 1985 so that the future growth of Karachi is regulated.

In compliance of these directives, a full-fledged Master Plan Department will be in operation from July 1, 1984. Independent units of experts have been created in KDA which will be as follows.

- (i) Economic unit.
- (ii) Housing and Katchi Abadis
- (iii) Urban design
- (iv) Regional planning and shore development
- (v) Utilities
- (vi) Transportation
- (vii) Coordination, technical assistance and press publication
- (viii) Policy, legal and administration
- (ix) Information and library and re-production
- (x) Social and community facilities

(xi) Re-development and urban renewal

(xii) Environmental planning

The Master Plan Department will update the statistics, prepare necessary inventory, update maps, plans, diagrammes etc. The Master Plan Department will also carry out the latest areal photography of Karachi, socioeconomic survey will be undertaken by association the university students.--APP

CSO: 4600/650

LABOR FEDERATION MAKES POLITICAL DEMANDS

Islamabad THE MUSLIM in English 30 Jun 84 p 8

[Text]

PESHAWAR, June 29: The Pakistan Joint Labour Federation has called for the release of all political leaders and workers, students, lawyers, peasants and others detained or convicted under martial law. It also condemned the alleged maltreatment against political detainees in certain jails.

The federation, which met in Charsadda, also called for the revival of political parties and activities, holding of elections under the 1973 Constitution, and transfer of power to the elected representatives of the people. It demanded that the independence of the judiciary and complete freedom of the press be restored and the ban imposed on student unions with-

drawn.

By another resolution, the federation suggested that all disputes with neighbouring countries be settled through direct talks, and Pakistan should in no way be made a party to superpower conflicts.

It also demanded that the restrictions on trade union activities be withdrawn, the right to strike restored, and the ban on the PIA, Security Printing Press, NRTC and cantonment sanitation staff unions be withdrawn, along with Martial Law Regulations 51, 52, and 53.

The meeting expressed its concern over the state of affairs in Dir forest complex in Chakdara and fully supported the demands of the workers. It urged that victimisation of workers in the complex be stopped.

CSO: 4600/643

PLANT FOR AMPICILLIN PRODUCTION PLANNED

Karachi BUSINESS RECORDER in English 3 Jul 84 p 1

[Text]

The Federal Chemical and Cermacis Corporation is contemplating the establishment of a project for the production of ampicillin based on penicillin produced in one of its factories at Daudkhel in NWFP.

The factory to be set up in collaboration with a reputable foreign partner would be the first of its kind in the basic manufacture of higher antibiotics within the country.

This was stated by the chairman of the Corporation Dr M.H. Chaudhry in an interview with Radio Pakistan.

The estimated cost of the project is about Rs. 50 million including a foreign exchange component of Rs. 30 million.

Dr. Chaudhry said that work is expected to start during the current fiscal year on another project of the corporation for the basic manufacture of PVC resin. The

project which is estimated to cost Rs. 800 million is being set up in collaboration with a private sector firm which will have major share holdings.

Indigenous molasses and waste chlorine from a unit of the Corporation Ittehad Chemicals, located at Lahore will be utilised to meet the demand of the country for PVC resin which now stands at 15 to 16 thousand tons a year.

With the local manufacturer of PVC resin the consumer will be benefitted with substantial production in price. It will also further accelerate the growth in demand of PVC pipes both for drainage, salinity control and drinking water purposes. In addition PVC resin is used for production of cables for electric power transmission, manufacture of shoes and other household equipment. -PPI.

CSO: 4600/650

DEVELOPMENT PLAN IN BALUCHISTAN LAUNCHED

Karachi BUSINESS RECORDER in English 3 Jul 84 pp 1, 6

[Text]

QUETTA, July 2: In Baluchistan, a massive development programme, costing Rs. 2,705 million has been launched from yesterday to enable the people to catch up with their counterparts in other provinces of Pakistan.

Stating this here, Provincial Additional Chief Secretary S.R. Poonegar said that about Rs. 1,000 million would be spent on Federally-Financed projects, Rs. 900 million by Special Development (SDP) and Rs. 805 million by Annual Development Programme (ADP) of Baluchistan.

He said main concentration would be on the development of water and power, transport and communication, food and agriculture, fisheries, education, rural development and mineral sectors.

Drinking water projects, costing Rs. 84 million, have been undertaken while plans are under way for similar projects to be undertaken during the next fiscal year at an estimated cost of Rs. 105 million with the Asian Development Bank credit.

Work on 19 schemes have been undertaken, out of which 14 would be completed during the current financial year. Similarly, there will be concentration on development of ground water resources in the rural and urban areas of the province to ensure optimum water for irrigation and drinking purposes.

Replying to a question, he said that the Asian Development Bank has been approached with a plan for the development of water sector at a cost of Rs. 105 million. He said the formality would take about a year prior to the sanction of the ADP credit for the implementation of rural water development programme in the province.

He said under provincial the ADP, 253 schemes implements schemes would be implemented, while under SDP, four major projects would be undertaken which would have an important bearing on boosting up the process of development in the province so as to catch up with more developed parts of the country and become an equal partner in the economic development of Pakistan.

He said there were already

active signs of change and transition in the province. With the large public investment during the financial year, beginning yesterday the pace of development in the province would increase further.

SOCIAL WELFARE PROJECTS

Meanwhile, a complex, for the care, education, training and rehabilitation of disabled persons, is under construction at Quetta.

The construction work is also in progress on the school for the mentally retarded children and residential quarters for staff in Quetta. It is expected to be completed during this year.

Seventy-six voluntary social welfare agencies have been registered with the Provincial Directorate of Social Welfare and are functioning in various fields. Efforts are being made to motivate and educate masses to form

such agencies in order to widen the scope of social welfare efforts in the province. For this purpose Rs. one million are being provided every year.

Over 180 development schemes were completed in the out-going financial year from the total of 287 schemes undertaken during the year under annual development plan.

Under the revised development strategy the stress was laid on the completion of on going schemes to benefit the people. As a result the ratio of completion of schemes raised to about eighty (80) per cent during the year as against sixty (60) per cent targeted in the start of 1983-84.

Almost the entire amount of over Rs. 710 million earmarked under the ADP was utilised during the year.

Huge amounts were also spent under the special development programme and the projects undertaken in Baluchistan by the federal agencies.—APP/PPI.

CSO: 4600/650

FORMER MINISTER PROPOSES PLAN TO END POWER CRISIS

Islamabad THE MUSLIM in English 26 Jun 84 p 1

[Text]

LAHORE, June 25: Dr. Mubashir Hassan, the former Finance Minister and eminent economist, has suggested that in order to meet the growing demand for power, more power houses should be installed and the services of the private sector should be acquired for this purpose.

He was expressing views in the Tajiz programme of the Lahore Press Club this evening on the power crisis facing the country.

He said Pakistan was rich in natural resources and stressed the need for exploring them to the maximum to overcome the power crisis. He said against the requirement of 16,515 megawatts of electricity the generation capacity was very small.

Replying to a question he said if the Government has no money, it should ask private parties to import power houses to meet the demand for power in the country and

the Government should purchase electricity from these parties.

He also suggested that WAPDA should be disbanded and instead small corporations should be set up which could fully look after the power sector.

He said that at present only 31 per cent of people had the facility of power while the rest were deprived of it. Therefore, to meet the demand of the majority the country needed small power houses.

Replying to a question he said that instead of importing non-essential items, power houses should be imported which would help a lot to overcome shortage of power in the country. In this regard "we should

give preference to countries which offer better terms". He said if all the available resources were tapped the country would overcome the power crisis to a great extent, and there would be no need to resort to load-shedding every year.

CSO: 4600/650

PAKISTAN'S IDEA OF ASIAN ENERGY AGENCY SAID 'GAINING GROUND'

Islamabad THE MUSLIM in English 27 Jun 84 p 1

[Article by Ashraf Hashmi]

[Text]

ISLAMABAD, June 26: Pakistan's idea of establishing an Asian Energy Agency is fast attracting the attention of oil producing South East Asian states and some concrete steps are likely to be taken soon to transform the idea into reality. This was stated here by Dr. Mohammad Asad Khan, Minister Incharge of Petroleum and Natural Resources, in an interview with "The Muslim".

Dr. Asad, who has just returned from a tour of Brunei, Singapore, Indonesia and Malaysia, said that he had detailed discussions on the proposal with his counterparts in these countries and all of them showed keen interest in it. He said that with the active support and cooperation of foreign private investors, such an organisation could go a long way in bringing self-sufficiency to the Asian countries in the matter of energy.

The Minister said his visit to these countries, which was basically a goodwill and fact-finding mission, had proved successful and would lead to close collaboration between Pakistan and these countries in the field of oil technology and trade.

He said some of these countries had shown their willingness to supply oil to Pakistan but since Pakistan was getting the bulk of its oil from Gulf states, with whom it had cordial brotherly ties, a major shift in this connection was not possible. However, in view of Pakistan's growing needs for crude as well as refined oil, some oil could be imported from these countries. In such an event Pakistan would have to pay more in view of the longer distances involved, but the additional cost, he said, could be adjusted against some price rebate which these countries were willing to give. Pakistan, on its part, could offer technical knowhow in the field of oil exploration and development.

Dr. Asad said he held detailed discussion in Brunei and Malaysia on the question of developing technical cooperation in oil technology and also had talks in Singapore with representatives of some multinationals engaged in trading in refined oil. Pakistan, he said, had a good chance of importing some refined oil from Singapore if contact at principal-to-principal level is established between Pakistan and the multinational companies working in Singapore.

CSO: 4600/643

SEVENTY-ONE PERCENT IN ISLAMABAD SAID UNDERNOURISHED

Islamabad THE MUSLIM in English 29 Jun 84 p 3

[Text]

ISLAMABAD, June 28: Malnutrition was a serious health problem in Pakistan and about sixty per cent population was suffering from the disease.

According to a report of the National Project of the World Food Programme, various surveys have highlighted the problem of moderate to severe malnutrition among various segments of population which included pre-schoolers and lactating and expectant mothers. The current Five Year Plan envisaged increased efforts in the social sectors with special emphasis on health and nutrition. The main objective for nutrition included elimination of third degree malnutrition among children of pre-school age group, reduction of anemia in general and of expectant mothers and reduction in infant mortality rate, it added.

A recent survey carried out by the Nutrition and Rehabilitation Centre of the Central Government

Polyclinic said that over 71 per cent population groups in Islamabad were affected by the malnutrition. Similarly out of those reported in the centre, 62 per cent were suffering from malnutrition.

Dr. Ejaz Seerat, officer incharge of the Centre, said that malnutrition was not due to poverty, although that was one of the factors responsible for the same. The main cause of the disease was the ignorance of parents especially mothers about the Family Welfare Programmes and lack of nutrition education.

While taking to Dr. Basharat Jazbi, State Minister for Health, Social Welfare and Special Education, during his recent visit to the polyclinic, she said that 87 per cent of the cases could be improved if proper education was extended to lactant mothers. The weights of newly born Pakistani babies could be compared with the western standards, she added.—APP

CSO: 4600/643

MINISTRIES ORDERED TO SWITCH OVER TO URDU

Islamabad THE MUSLIM in English 26 Jun 84 p 1

[Text]

ISLAMABAD, June 25: President Mohammad Ziaul Haq has issued a directive to all the ministries and provincial Governments to introduce Urdu in their day-to-day working as soon as possible.

This was stated by Raja Mohammad Zafarul Haq, Minister for Information and Broadcasting, in an informal chat with newsmen at an Iftar party hosted by him for the local journalists here this evening.

The President, he said, has been delivering his speeches in Urdu even at international forums to promote the national language and expected it to be introduced at district level by now. But in view of the slow progress of its implementation, he has desired that its enforcement in offices should be speeded up, he added.

Raja Zafarul Haq said that Urdu was already being used in the Ministries of Information and Broadcasting and Religious and Minority Affairs and the switch-over was functioning smoothly there. He said he has asked the national language authority to provide his Ministry with the Urdu terminology which it did promptly.

In reply to a question, the Information Minister said that new Wage Board for the working

journalists will be constituted shortly. He said that the matter will be taken up again when Mr. Ghulam Dastgir Khan, Labour Minister, returns from abroad.

He dispelled the apprehensions that the Wage Board Award may take a longer time to provide relief to the newsmen. He said that the Wage Board will be asked to announce its award within six months from the date of its constitution. He, however, regretted that there was a growing tendency among the newspaper employers to employ a number of their workers on contract basis with no security of service.

About two days holidays in a week, he said that the system is in vogue in 41 countries, including those of the Third World and under-developed countries. He said that the decision has been taken not only to conserve energy but also to improve efficiency. But the offices entrusted with the utility services have to stagger their holidays in such a way that the normal working did not suffer.

Mr. Ghulam Ishaq Khan who also talked briefly to the newsmen said in reply to a question that the Wage Commission for the bank employees had already been constituted and the demands of the bank employees could only be considered when its report is received by the Government. —APP

BRIEFS

NEW SUBDIVISION--Bahawalpur, June 24--The Punjab government has announced that a new sub-division, Cholistan, will be established in the desert region of this area as a part of Bahawalpur district from July 1. The headquarters of this new sub-division will be located at Yazman. This independent tehsil will start functioning from the new financial year. Now Bahawalpur district consists of four tehsils, including Hasilpur, Bahawalpur, Ahmadpur and Yazman. [Text] [Islamabad THE MUSLIM in English 25 Jun 84 p 6]

INDUS WATER COMMISSION REPORTS--Karachi, June 25--The Indus Water Commission has submitted its reports about sharing of water between provinces from storages and rivers. This was stated by the Provincial Irrigation Minister, Sardar Ghulam Mohammad Maher, while talking informally to newsmen at an Iftar party he hosted for them at his residence today. However, he said, the President has yet to take a decision on the Commission's report. [Excerpt] [Islamabad THE MUSLIM in English 26 Jun 84 p 6]

CSO: 4600/643

FINANCE MINISTER: INFLATION PUBLIC ENEMY NO 1

Colombo THE ISLAND in English 9 Jun 84 p 1

[Text]

"The problem of inflation is a more serious problem which the country is facing than any other at present" said Mr. Ronnie de Mel, Minister of Finance & Planning at the 21st AGM of the Inland Revenue Staff Officers' Union held at the Boys Scout Head Quarters, Sir Chittampalam Gardiner Mawatha, Colombo 1.

There is a great deal of confusion about inflation. All think that inflation is created by the Finance Minister, but inflation is not created by the Finance Minister, other factors, such as low productivity, private companies, corporations and activities of every man, woman and child leads to inflation.

Mr. de Mel emphasized

the role played by the Inland Revenue Department and said that the figures of the first quarter of 1984 show an improvement as compared with the same period last year. The declared turnover tax has doubled this quarter.

Speaking on the economy, the Minister said that the overall budget deficit has been brought down to 13.5% GDP this year, as compared with the 23.5% GDP in 1983. But it is still high, although the overall surplus in balance of payment is 60 to 80 million but still the deficit of the current account of the balance of payment is 12.5% of GDP.

Mr. de Mel highlighting a few cases of tax evasion and dodging the areas, particularly in Garment, Jewellery

Industry and Motor Spares urged the Inland Revenue Department to take every possible effort to bring the people concerned to task and that the Minister's fullest co-operation would be given in this matter.

In conclusion the Minister promised to look into the appeal made by the officers in Inland Revenue Department about their conditions and incentive scheme which he hopes would make the Department more efficient and would result in collecting more taxes and helping in bringing more revenue to the country's economy.

Mr. Jayakody, the President of the Inland Revenue Staff Officers' Union made the welcoming address.

CSO: 4600/644

POLITICS TO BE BANNED FROM SCHOOLS

Colombo THE ISLAND in English 14 Jun 84 pp 1, 3

[Article by B.C. Perera]

[Text]

Education and Youth Affairs Minister Ranil Wickremasinghe, in an interview with *"The Island"* recently said that strong and definitive steps were being taken to banish politics out of schools.

The Minister who admitted that political interference was becoming a problem pointed out that a series of remedial measures were now being taken to banish politics from schools and hand back schools to professionals in education. "Politics in education assumed fearful proportions during the previous regime. Even though the problem is not as serious as it was at that time, some remnant of those days, do persist in the system. We intend erasing the slate clean of politics", the Minister said.

Mr Wickremasinghe said that it was quite natural for a representative of the people to be concerned about the education of the children, which was one of the basic needs. But, this must not lead to interference in the running of schools or their administration.

Political interference, the Minister stated, cannot be banished by legislation or high platitudes. It can be done only by the qualitative improvement of the teaching profession and bringing into the education system school principals who were well versed in administration with professional training backing them.

He stated firmly that education directors and top education officers would be held responsible for any excess teachers in the schools under their charge, appointed on the behest of politicians. After thorough Audit inquiries these education higherups will even be surcharged. "The excuse that these were done at the wish of the MP of the area will not be valid", Mr. Wickremasinghe said.

Principals who were appointed to the Education Service only on their academic qualifications

will not be sent through a professional administrative and management training course before being appointed to schools. Principals of schools fortified with high academic qualifications plus professional management and administrative training, will be strong enough to withstand any interference in their activities from whichever quarter they came. "Management and administration of schools had been a weak point in our education system", Mr. Wickremasinghe added.

END OF

FICHE

DATE FILMED

1 AUGUST 1984